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Memorandum

U.S. Department of the Treasury to Delay Implementation of the Investment Adviser Rule

July 22, 2025

On July 21, 2025, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) announced its intention to delay the implementation of the final rule establishing Anti-Money Laundering/Countering the Financing of Terrorism Program and Suspicious Activity Report Filing Requirements for Registered Investment Advisers and Exempt Reporting Advisers (IA AML Rule) until **January 1, 2028**. The rule was previously set to go into effect on January 1, 2026. At the same time, FinCEN signaled its intention to revisit the scope of the IA AML Rule as well as the related proposed rule establishing customer identification program rule requirements for investment advisers (CIP Rule).

As discussed in our prior memorandum, the IA AML Rule as currently written requires most Securities and Exchange Commission (SEC)-registered investment advisers (RIAs) and exempt reporting advisers (ERAs) to adopt anti-money laundering (AML) and countering the funding of terrorism (CFT) programs, file Suspicious Activity Reports (SARs), and comply with certain record-keeping requirements by January 1, 2026. As a result, RIAs and ERAs have been working to uplift their existing policies and procedures to comply with the requirements of the IA AML Rule ahead of the prior deadline. The two-year delayed implementation will give covered advisers additional time to revise their policies and procedures.

For covered advisers that have not yet implemented revised AML/CFT programs, FinCEN intends to provide regulatory certainty by issuing exemptive relief while it works through the rulemaking process to formally delay the effective date. Covered advisers that have already fully or partially implemented program updates of the IA AML Rule are not required to maintain those changes, however they should continue to comply with their current written program unless and until that program is modified according to the covered adviser's internal policies and processes.

The Treasury Department press release announcing the delay stated that the postponement was done, "[i]n order to ensure efficient regulation that appropriately balances costs and benefits." In addition to extending the effective date, FinCEN intends to use the formal rulemaking process to revisit the overall substance of the IA AML Rule and together with the SEC, the related CIP Rule. This will give the Trump administration the chance to make substantive changes to both rules. While it is unclear what changes the administration will seek to implement, the press release indicated that FinCEN recognizes that the "rule must be effectively tailored to the diverse business models and risk profiles of the investment adviser sector." As with the initial rulemaking process, we anticipate stakeholders will have the opportunity to submit comment letters to the government via the Federal Rulemaking Portal or by mail.

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