

ALERTS

New Anti-Money Laundering Rules for Registered Investment Advisers Proposed by FinCEN

August 25, 2015

Today, Aug. 25, 2015, the Financial Crimes Enforcement Network (“FinCEN”), a bureau of the U.S. Department of the Treasury, issued for public comment a proposed rule requiring investment advisers registered with the SEC (“RIAs”) to establish anti-money laundering (“AML”) programs and report suspicious activity to FinCEN pursuant to the Bank Secrecy Act (“BSA”) (the “Proposed Rule”).

The Proposed Rule would make three significant regulatory changes: (1) including RIAs within the general definition of “financial institution” in the BSA implementing regulations, which would subject RIAs to the BSA requirements generally applicable to other financial institutions, including, for example, the requirement to file Currency Transaction Reports (“CTRs”) and engage in recordkeeping; (2) requiring RIAs to establish AML programs; and (3) requiring RIAs to report suspicious activity. Although the Proposed Rule does not require RIAs to develop a customer identification program or conduct customer due diligence, the Proposed Rule states that FinCEN anticipates addressing both of these requirements, and possibly others, through joint rulemaking with the SEC. FinCEN is proposing to delegate to the SEC its authority to examine RIAs for compliance with the new requirements.

Comments will be due 60 days after the Proposed Rule is published in the *Federal Register*. After the close of the public comment period, the Proposed Rule will be subject to additional review and revision based on public comments before it is finalized by FinCEN.

The FinCEN press release announcing the issuance of the Proposed Rule is available [here](#), and a copy of the Proposed Rule is available [here](#).

We are analyzing the Proposed Rule and will communicate further with our clients regarding its implications. In the meantime, if you have any questions, please contact your attorney at Schulte Roth & Zabel.

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