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FUNDamentals – FinCEN Delays Investment Adviser AML Rule Until 2028, Signals Revisions to Scope

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On July 21, 2025, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) [announced](#) its intention to delay the effective date of the [final rule](#) imposing anti-money laundering (AML) obligations on registered investment advisers and exempt reporting advisers from January 1, 2026, until January 1, 2028. The announcement also indicated that FinCEN is actively re-evaluating the scope and substance of the rule, raising the possibility of further modifications before implementation.

As originally finalized in 2024, the rule would have required SEC-registered investment advisers and exempt reporting advisers to establish and maintain AML programs and report suspicious activity, aligning their obligations more closely with those of other financial institutions subject to the Bank Secrecy Act. This was a significant policy development aimed at closing perceived gaps in the AML regulatory framework — particularly in light of the growth of private funds and the increasing complexity of cross-border investment structures.

The anticipated delay provides investment advisers and fund managers with additional time to assess internal controls, compliance infrastructure, and third-party service arrangements in preparation for a future compliance date. In addition, FinCEN's indication that it may revisit the rule's breadth and applicability suggests that further substantive revisions are possible, and firms should be prepared to revisit their compliance strategies once a revised rule is issued.

For background on the final rule as published last year, see our prior client alert: [FUNDamentals: Navigating FinCEN's New AML Regulations for Investment Advisers](#).

We will continue to monitor developments and provide updates as Treasury and FinCEN issue additional guidance. If you have questions about the impact of the delay or potential revisions to the rule, please contact a member of your Troutman Pepper Locke team.

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