

>>>FAIRVIEW FLASH REPORT<<<

FinCEN Proposes AML Rule for SEC-Registered Investment Advisers

WHAT IS HAPPENING?	<p>Anti-money laundering policies and procedures have long been viewed as an industry best practice. However, the Financial Crimes Enforcement Network (“FinCEN”) submitted a proposed rule today that, if adopted, would require SEC-registered investment advisers to implement anti-money laundering (“AML”) programs and report suspicious activity to FinCEN.</p>
WHAT DOES THE PROPOSED RULE REQUIRE?	<p>FinCEN’s proposal, if adopted, would require registered investment advisers to implement AML programs within six months of the rule’s effective date, including:</p> <ul style="list-style-type: none">• Adopting AML compliance policies and procedures;• Conducting ongoing AML training;• Conducting compliance testing internally, or through a qualified third party; and• Designating at least one person, such as the CCO, to monitor the program. <p>Additionally, registered advisers would be required to file Currency Transaction Reports and comply with certain recordkeeping and reporting requirements of the Bank Secrecy Act.</p> <p>The proposal states that FinCEN would delegate its authority to the SEC to enforce the requirements. Such enforcement would likely be conducted as part of regular SEC exams.</p>
NEXT STEPS	<p>Written comments on the proposed rule must be submitted on or before 60 days of publication of the proposal on the Federal Register. In the event the proposal is adopted, Fairview will be available to assist clients with updating policies and procedures, implementing additional compliance testing, and conducting ongoing training.</p>

Sources:

[FinCEN Article 8.25.2015](#)

[Proposed AML Rule 8.25.2015](#)

