

Eric Mikkelson Analyzes FinCEN's Proposal to Extend AML Rules to Investment Advisers in *Bloomberg Law* Column

In the News

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Stinson LLP Partner [Eric T. Mikkelson](#) authored a column for *Bloomberg Law*, "FinCEN's Anti-Money Laundering Plan Should Put Advisers on Alert," which analyzes the U.S. Treasury's Financial Crimes Enforcement Network (FinCEN) proposed plan of expanding financial reporting requirements to registered investment and exempt reporting advisers.

Mikkelson says FinCEN's third attempt to extend anti-money laundering and countering the financing of terrorism (ALM/CFT) requirements under the Bank Secrecy Act to investment and exempt reporting advisers may be successful. This puts advisers more closely in line with banks and broker-dealers. Although the proposal doesn't extend the Bank Secrecy Act's customer identification program to registered investment and exempt reporting advisers, Mikkelson states that FinCEN has indicated it may do so in the future.

"While some advisers already implement many AML/CFT requirements, all SEC-registered investment advisers and exempt reporting advisers may want to start evaluating risks and identifying steps to compliance," Mikkelson writes. He says the process can be started by reviewing guidance already available to other entities subject to AML/CFT requirements.

"A prudent investment adviser will begin the internal review and preparation process to be ready for timely compliance," Mikkelson writes. "Keeping abreast of comments and any court challenges while the rule is pending may provide advance insight as to whether, and if so in what form, the rule will eventually be implemented." He says the compliance date would be 12 months after the effective date of any final rule, and enforcement would be largely delegated to the U.S. Securities and Exchange Commission.

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Mikkelson is co-chair of Stinson's Investment Management practice group. He specializes in mergers, acquisitions and private equity, and in advising investment advisers and broker-dealers with transactions and compliance.

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CONTACT

Eric T. Mikkelson

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