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MEMORANDUM

August 25, 2015

To Our Clients and Friends

Re: FinCEN Proposes Anti-Money Laundering Regulations for Investment Advisers

The Financial Crimes Enforcement Network (“FinCEN”) has proposed regulations requiring certain investment advisers to establish anti-money laundering (“AML”) programs and file reports pursuant to the Bank Secrecy Act (“BSA”). Comments on FinCEN’s proposal are due by October 25, 2015.

Under the proposal, investment advisers that are required to register with the U.S. Securities and Exchange Commission would be included in the definition of “financial institution” in the BSA, which would, among other things, require investment advisers to file Currency Transaction Reports, Suspicious Activity Reports and maintain records of funds transmittals. FinCEN stated that applying BSA recordkeeping standards to investment advisers will assist the agency in monitoring the movement of illicit funds through the U.S. financial system.

A copy of FinCEN’s proposal can be found on our website at <http://www.schwartzandballen.com/news.html>

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox, Heidi Wicker, or Ben Gray at (202) 776-0700.