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REGULATORY INTELLIGENCE BRIEFING · BSA / AML REFORM · AUGUST 2026

FinCEN's Dual Mandate:
Modernize AML Programs and Expand Information Sharing

- **Oct 2025** — FinCEN FAQs reduce SAR filing burden
- **Feb 2026** — CDD Rule exceptive relief granted
- **Apr 7, 2026** — AML/CFT Program NPRM published
- **Jun 12, 2026** — Updated §314(b) fact sheet on fraud sharing
- **~2027** — Final rule expected 12-mo window

PART 1 · FINCEN NPRM — AML/CFT PROGRAM MODERNIZATION (APR 7, 2026)

The shift in plain terms: FinCEN is replacing a decades-old, process-driven "check-the-box" model with an outcomes-based, risk-tiered framework. Success is measured by whether a program actually detects and disrupts illicit finance — not by the volume of paperwork. The NPRM supersedes the July 2024 proposal and sets a 12-month implementation window after finalization.

12 months to implement after final rule

11 institution categories covered

3 regulators issuing the joint NPRM

Four Core Program Pillars (codified)

1. **Risk-Based Internal Controls** — Policies must identify, assess, and document ML/TF risks, incorporate FinCEN's national priorities, and update promptly as risk profile changes.
2. **Independent Testing** — Testing must evaluate whether the program is effective, not merely whether it exists — frequency and scope tailored to actual risk.
3. **U.S.-Based AML/CFT Officer** — Must be physically located in the U.S. and accessible to regulators. Support staff may remain offshore; SAR sharing abroad stays restricted.
4. **Ongoing Employee Training** — Standardized across institution types, but frequency and content are tailored by role and risk profile — not uniform across headcount.

The Old Model vs. The New Model

BEFORE	AFTER
Enforcement scrutinized every technical or process gap, regardless of severity.	Two-tier enforcement — establishment separated from implementation; action reserved for significant or systemic failures.
Program success was measured by SAR filing volume.	Effectiveness over volume — programs judged on useful outcomes for law enforcement; fewer resources justified for lower-risk segments, in writing.

REGTECH SIGNAL — **AI and Innovation — Now a Mitigating Factor**

The NPRM explicitly lists use of innovative tools such as AI as a factor FinCEN may weigh before taking enforcement action — elevating technology adoption from discretionary to strategically protective.

Key Implications for Financial Institutions

- Gap-assess risk assessment methodology and documentation now — before the final rule
- Confirm the AML/CFT Officer is U.S.-based and accessible to regulators
- Build evidential frameworks that demonstrate program effectiveness, not just existence
- Formalize alignment of internal controls with FinCEN's national AML/CFT priorities
- Review governance: board/senior management approval of the written program is required
- Treat AI/technology adoption as a strategic compliance asset, not a back-office cost
- Re-evaluate resource allocation — justify lower spend on low-risk segments in writing

PART 2 · FINCEN §314(B) UPDATED FACT SHEET (JUN 12, 2026)

The core clarification: Section 314(b) was always a fraud tool — FinCEN has now made this explicit. The June 2026 update removes years of institutional hesitation about sharing fraud cases, permits real-time sharing, and replaces the December 2020 fact sheet in its entirety. It's part of the White House Task Force to Eliminate Fraud.

Real-Time Sharing Permitted

No restriction on method or timing — information may be shared as activity is occurring. Sharing isn't limited to customer or transaction overlaps with the receiving institution; context-free intelligence sharing is now permissible.

Fraud Is Explicitly In Scope

Covers mail, wire, bank, securities, and computer fraud, romance scams, pig butchering, and mule account activity. Institutions need only suspect fraud — not identify laundered proceeds — to invoke the safe harbor.

What Can Be Shared

Transaction records, entity relationship data, monitoring alerts, adverse media, device fingerprints, IP addresses, video surveillance footage, and fraud indicators.

Association Operators and Non-FI Entities

A non-financial institution may form and operate a 314(b) association, opening the door for RegTech vendors to serve as network orchestrators. Foreign sharing is limited — it doesn't benefit from the safe harbor unless the foreign entity qualifies as a FinCEN-regulated FI. Joint SARs remain available to institutions collaborating through 314(b).

Operational Requirements

Register (and renew annually) through the FinCEN FI Portal — expired registration means no safe harbor. Verify the receiving institution is a registered participant before sharing, and safeguard shared data for AML/CFT, account decisions, or BSA compliance only. Eligible: banks, MSBs, broker-dealers, mutual funds, insurance and loan/finance companies, and associations.

Get in touch to understand how SymphonyAI's Symphony Risk Intelligence can turn regulatory pressure into program strength.

Learn more

Sources: FinCEN NPRM (91 Fed. Reg. 18704, Apr. 10 2026) · FinCEN §314(b) Fact Sheet (Jun. 12, 2026) · U.S. Treasury Press Release SB0531 · Morrison Foerster, Sullivan & Cromwell, Jones Day, Mayer Brown analyses.This briefing is for informational purposes only and does not constitute legal advice.