**Listening Session Regarding Proposed Rule “Anti-Money Laundering Regulations for Residential Real Estate Transfers” and**

**“Anti-Money Laundering/Countering the Financing of Terrorism Program and Suspicious Activity Report Filing Requirements for Registered Investment Advisers and Exempt Reporting Advisers”**

This document summarizes a listening session that the U.S. Department of the Treasury (Treasury) and its Financial Crimes Enforcement Network (FinCEN) held with representatives of the investment adviser industry about two notices: (1) notice of proposed rulemaking titled *Anti-Money Laundering Regulations for Residential Real Estate Transfers* issued on February 6, 2024 (Docket Number 2024-02565) (RRE NPRM); and (2) notice of proposed rulemaking titled *Anti-Money Laundering/Countering the Financing of Terrorism Program and Suspicious Activity Report Filing Requirements for Registered Investment Advisers and Exempt Reporting* issued on February 13, 2024 (Docket Number 2024-02854) (IA NPRM). FinCEN is adding this summary of the listening session to the docket for the NPRM to help ensure that the public is aware of the listening session and understands the information that was provided to Treasury and FinCEN in this session. Treasury and FinCEN did not provide any new substantive information about the NRPM or substantively respond to any comments during the listening session.

DATE: April 10, 2024

TIME: 3 p.m. – 4 p.m., Eastern Time

LOCATION: Virtual

TREASURY ATTENDEES:

* Treasury Undersecretary for Terrorism and Financial Intelligence Brian Nelson, Staff of FinCEN, Office of Terrorist Financing and Financial Crimes staff, Treasury’s Office of General Counsel

OTHER ATTENDEES:

* Beth Milito, National Federation of Independent Business (NFIB)
* Kevin Shepard, American Bar Association (ABA)
* Ed Manigault, ABA
* Foxhall Parker, U.S. Chamber of Commerce

SUMMARY:

NFIB referenced its comment on a related ANPRM and recommended that Treasury restrain FinCEN from intruding in another sector of the economy and expressed the view that the proposed rule is an excessive reporting requirement that could infringe on privacy of Americans and burden industry. NFIB rejected the characterization of the proposed SAR requirements as being streamlined, as it would require detailed information about the transaction, transferor, transferee, payments, and beneficial ownership information. NFIB stated that, as set out in the NPRM, entities required to report are likely unfamiliar with FinCEN. According to NFIB, the onus was on Treasury to educate stakeholders. NFIB expressed the view that not enough has been done on that for the Beneficial Ownership Information Reporting Rule, and this would be yet another area where a lot of small businesses would be subject to a reporting rule and would not know how to go about fulfilling their obligations.

The ABA referenced their written comments, stating that lawyers should be exempt from the reporting cascade due to attorney client privilege and duty of confidentiality. ABA also added that, in terms of the reporting cascade, real estate professionals may not know if a report has been filed and it is unclear whether they would need to determine whether one has been filed. ABA stated that if a real estate professional is not part of a designation agreement, they may want to file a report simply to protect themselves. ABA stated that FinCEN may therefore want to obligate the filer to tell others in the cascade that the report is being filed. ABA also noted that there would be a lot of personally identifying information (PII) being communicated among various parties, raising serious privacy concerns.

The U.S. Chamber of Commerce declined to offer any comments at the listening session. None of the groups present had any oral comments to offer on the IA NPRM.