Supporting Statement
OMB Control Number 1506-NEW

Financial Crimes Enforcement Network (FinCEN) Survey of the Costs of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Compliance

PART A. JUSTIFICATION

1. Circumstances necessitating collection of information.

FinCEN is issuing this statement to support its request that the Office of Management and Budget (OMB) approve a survey estimating the costs to comply with anti-money laundering/countering the financing of terrorism (AML/CFT) regulations borne by financial institutions[1] subject to the Bank Secrecy Act (BSA) and applicable implementing regulations (BSA-regulated financial institutions, hereinafter referred to as financial institutions).[2] FinCEN intends to coordinate with other Federal functional regulators (FFRs)[3] distributing this survey to financial institutions under their supervisory purview, where survey responses can be aggregated to estimate cumulative costs across a number of different types of financial institutions.[4] To further reduce any duplication of efforts and minimize burden, FinCEN intends to largely direct this survey to financial institutions not supervised by FFRs. Specifically, the proposed survey seeks to gather information on the costs incurred by non-bank financial institutions[5] (NBFIs), and, to the extent these expenses overlap with those of other activities (such as fraud monitoring), the amount attributable to AML/CFT compliance. Survey responses will aid in understanding the financial impact of these regulations and will be used to develop deregulatory proposals consistent with the Executive Orders of the Trump Administration.[6] Survey responses will not be used for supervisory or enforcement purposes.

FinCEN intends to pilot the survey by distributing it exclusively to money services

[1] *See* 31 U.S.C. 5312(a)(2) and 31 CFR 1010.100(t) for definition of "financial institution." For the purpose of the supporting statement, the term "financial institutions" includes: banks; casinos and card clubs (casinos); money services businesses (MSBs); brokers or dealers in securities (broker-dealers); mutual funds; insurance companies; futures commission merchants and introducing brokers in commodities; dealers in precious metals, precious stones, or jewels; operators of credit card systems; loan or finance companies; and housing government sponsored enterprises

[2] Certain parts of the Currency and Foreign Transactions Reporting Act, its amendments, and the other statutes relating to the subject matter of that Act, have come to be referred to as the BSA. These statutes are codified at 12 U.S.C. 1829b, 12 U.S.C. 1951-1960, and 31 U.S.C. 5311-5314 and 5316-5336 and notes thereto, with implementing regulations at 31 CFR chapter X.

[3] *See* 31 CFR 1010.100(r) for definition of a Federal functional regulator (FFR).

[4] In general, financial institutions supervised by FFRs include banks, broker-dealers, mutual funds, futures commission merchants, and introducing brokers in commodities.

[5] For the purpose of the supporting statement, the term "non-bank financial institutions" (NBFIs) refers to any financial institution that is not a bank. Additionally, the definition of "money services business" (31 CFR 1010.100(ff)) covers both MSB principals and MSB agents. *See* 31 CFR Part 1022 describing AML/CFT requirements for MSBs.

[6] *See* Executive Order (E.O.) 14192, *Unleashing Prosperity Through Deregulation*, 90 FR 9065 (Feb. 6, 2025); Office of Management and Budget (OMB), *Guidance Implementing Section 3 of Executive Order 14192* (OMB 14192 Guidance), M-25-20 (Mar. 26, 2025); and E.O. 14219, *Ensuring Lawful Governance and Implementing the President's 'Department of Government Efficiency' Deregulatory Initiative*," 90 FR 10583 (Feb. 25, 2025); OMB, *Streamlining the Review of Deregulatory Actions*, M-25-36 (Oct. 21, 2025).

businesses (MSBs) through MSB trade associations, rather than attempting to reach all NBFIs in the first instance.[7] As a practical matter, MSBs have been subject to AML/CFT requirements since the BSA was enacted in 1970, and based on FinCEN estimates, MSBs currently represent the largest number of financial institutions subject to the BSA.[8] For these reasons, FinCEN anticipates MSBs can provide meaningful data, both in terms of quantity and quality, on AML/CFT compliance costs. FinCEN also expects higher-quality, more substantive responses when requests are conveyed through MSB trade associations where incentives are aligned between MSBs and their trade associations in terms of ensuring accuracy and completeness of cost-benefit estimates so FinCEN can consider such estimates with respect to any existing regulatory obligations and future regulatory actions, including deregulatory actions. This targeted approach is intended to yield more focused analysis and higher-quality feedback, while keeping the data collection and review process manageable given private and public sector resource constraints. The pilot will also allow FinCEN to assess the quality of responses received. Based on its results, FinCEN will consider expanding the survey to additional NBFIs, either through trade associations or by direct outreach.

2. Method of collection and use of data.

The purpose of the survey is to better understand and estimate the cost of AML/CFT compliance for NBFIs, specifically MSBs. The survey is voluntary. The information gathered will help assess the cumulative impact of AML/CFT regulations and may inform efforts to adjust regulatory obligations and advance deregulatory proposals consistent with the Executive Orders of the Trump administration. The data may also support the development of deregulatory rulemakings or guidance to reduce compliance burden without compromising the effectiveness of current AML/CFT frameworks. As noted earlier, survey responses will not be used for supervisory or enforcement purposes.

3. Use of improved information technology to reduce burden.

All survey responses will be submitted to FinCEN electronically.

4. Efforts to identify duplication.

There is no similar information available and no duplication.

5. Methods to minimize burden on small businesses or other small entities.

As noted earlier (Item 2, Part A), survey responses are voluntary. Survey responses will be requested as electronic submissions to facilitate collection and minimize burden. Further, the survey is limited to only eight questions. FinCEN expects the burden on small entities that choose to take the survey to be minimal. Additionally, as explained to Item 1 (Part A), FinCEN intends to coordinate with other FFRs distributing this survey to financial

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[7] *See* 31 CFR 1010.100(ff).

[8] *See* Table 1: Estimates of Covered Financial Institutions by Type, FinCEN, *Anti-Money Laundering and Countering the Financing of Terrorism Programs Notice of Proposed Rulemaking*, 91 FR 18704, 18728-18729 (Apr. 10, 2026).

institutions under their supervisory purview, where survey responses can be aggregated to estimate cumulative costs across a number of different types of financial institutions.[9] To further reduce any duplication of efforts and minimize burden, FinCEN intends to largely direct this survey to financial institutions not supervised by FFRs, and specifically to MSBs in the first instance.

6. Consequences to the Federal government of not collecting the information or less frequent collections.

   Without the collection of information from this voluntary survey, FinCEN currently has limited means to assess the cumulative impact of AML/CFT regulations, and may undermine efforts to adjust regulatory obligations and advance deregulatory proposals consistent with the Executive Orders of the Trump administration.

7. Special circumstances requiring data collection inconsistent with guidelines in 5 CFR 1320.5(d)(2).

   There are no special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.5(d)(2).

8. Consultation with individuals outside of the agency on availability of data, frequency of collection, clarity of instructions and forms, and data elements.

   On September 30, 2025, FinCEN published in the Federal Register a 60-day notice and request for comments on its proposal to issue a new information collection entitled "Survey of the Costs of AML/CFT Compliance."[10] The 60-day comment period closed on December 1, 2025. In response to the notice, FinCEN received 18 comments.[11]

   Four comments were wholly unrelated to AML/CFT compliance, while another five made recommendations regarding certain AML/CFT regulations, but did not mention the survey. Two commenters responded to the draft survey questions. One commenter noted that FinCEN should consider whether the survey is a good use of its limited resources, and suggested that FinCEN instead prioritize finalizing critical rules, including those for investment advisers and antiquities dealers. The remaining six commenters recommended ways to improve the survey, with one commenter concurring with FinCEN's estimate of eight hours to complete the survey.

   Recommendations for improving the survey included making it anonymous; simplifying its questions; revising it to make definitions consistent; including questions specific to suspicious activity reports (SARs); and requiring that survey respondents be senior management of financial institutions. FinCEN appreciates the recommendations, but intends

[9] *See* 31 CFR 1010.100(r) for definition of a Federal functional regulator (FFR). In general, banks, broker-dealers, mutual funds, futures commission merchants, and introducing brokers in commodities are financial institutions that are supervised by their respective FFR.
[10] FinCEN, *Agency Information Collection Activities: Proposed New Information Collection; Survey of the Costs of AML/CFT Compliance: Comment Request*, 90 FR 47132 (Sept. 30, 2025).
[11] *See* https://www.regulations.gov/document/FINCEN-2025-0105-0001/comment.

to move forward with the survey as proposed. FinCEN's survey mirrors those that will be sent to financial institutions under FFR supervision, enabling meaningful comparisons across institution types by ensuring that responses are based on largely identical questions.

9. Explanation of decision to provide any payment or gift to respondents.

No payments or gifts were made to respondents.

10. Assurance of confidentiality of responses.

The information collected will be made available to Treasury, its designee, and other authorized agencies. Such information will be used for purposes consistent with the purposes set forth in 31 U.S.C. 5311, including but not limited to preventing the laundering of money and the financing of terrorism through the establishment by financial institutions of reasonably designed risk-based programs to combat money laundering and the financing of terrorism.[12]

11. Justification of sensitive questions.

There are no questions of a sensitive nature in the collection of information, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

12. Estimated burden.

Frequency: Once.

Estimated Number of Respondents: 354,172. See the table directly below:

Affected Public: Certain NBFIs with AML/CFT compliance requirements. The total universe of NBFIs with AML/CFT compliance requirements potentially affected by this notice in the long term include the following types of entities: casinos and card clubs; MSBs; insurance companies; PMSJs; operators of credit card systems; and loan or finance companies. Only MSBs will be affected during the pilot.

Type of NBFI	Number of Respondents
Casinos and card clubs	1,299[a]
MSBs (Principals)	24,856[b]

[12] *See* 31 U.S.C. 5311 for purposes of the BSA: to require certain reports or records that are highly useful in criminal, tax, or regulatory investigations, risk assessments, or proceedings; or intelligence or counterintelligence activities, including analysis, to protect against terrorism; prevent the laundering of money and the financing of terrorism through the establishment by financial institutions of reasonably designed risk-based programs to combat money laundering and the financing of terrorism; facilitate the tracking of money that has been sourced through criminal activity or is intended to promote criminal or terrorist activity; assess the money laundering, terrorism finance, tax evasion, and fraud risks to financial institutions, products, or services to protect the financial system of the United States from criminal abuse; and safeguard the national security of the United States.

MSBs (Agents)	307,212
Insurance companies	717[c]
PMSJs	6,742[d]
Operators of credit card systems	4[e]
Loan or finance companies	13,342[f]
Total	354,172

[a] From the American Gaming Association, *State of the States 2025: The AGA Analysis of the Commercial Casino Industry*, May 2025, p. 14, https://www.americangaming.org/wp-content/uploads/2025/05/AGA-State-of-the-States-2025.pdf.
[b] The definition of MSB (31 CFR 1010.100(ff)) covers both principal and agent MSBs. FinCEN estimated there were 24,856 uniquely identifiable registered principal MSBs with indicia of active business operations as of the three year-ends 2023–2025. FinCEN has estimated that the number of agent MSBs is approximately 307,212 based on internal data.
[c] This estimate includes 717 life and health insurers in the United States during 2024. From U.S. Department of the Treasury, *Annual Report on the Insurance Industry* (Sept. 2025), p. 10 (https://home.treasury.gov/system/files/311/Final%20FIO%202025%20Annual%20Report.pdf). Neither the estimate presented here nor the estimate of broker-dealers controls for entities that may be both a broker-dealer and an insurance company; thus, a certain number of affected entities may be double-counted. However, based on consultation with staff of other Federal regulators, FinCEN believes this population of dually affected entities may be relatively small and unlikely to significantly distort the overall assessment.
[d] This estimate is based on data on firms with North American Industry Classification System code 423940 (Jewelry, Watch, Precious Stone, and Precious Metal Merchant Wholesalers) in the U.S. Census, 2022 Statistics of U.S. Businesses, https://www.census.gov/data/tables/2022/econ/susb/2022-susb-annual.html, accessed March 1, 2025.
[e] This value is based on FinCEN review of active, U.S.-based market participants at year-end 2025.
[f] This estimate is based on data on firms with North American Industry Classification System codes 522292 (Real Estate Credit) and 522310 (Mortgage and Non-Mortgage Loan Brokers) from the U.S. Census 2022 Statistics of U.S. Businesses (https://www.census.gov/data/tables/2022/econ/susb/2022-susb-annual.html), accessed March 1, 2025.

Estimated Number of Expected Respondents: As noted earlier (see Item 1, Part A), FinCEN will pilot the survey by distributing it exclusively to MSBs through MSB trade associations, rather than attempting to reach all NBFIs in the first instance.

Further, FinCEN expects that MSBs that are members of trade associations—and therefore likely to receive and respond to the proposed survey—are likely to be principal MSBs (population 24,856) rather than agents of principal MSBs. With these factors in mind, and in keeping with the trend of declining response rates across government surveys, FinCEN expects a response rate of approximately 30 percent, yielding 7,457 responses.[13]

Estimated Total Annual Burden Hours: FinCEN estimates a total burden for OMB control number 1506-NEW of 59,656 hours. FinCEN expects 7,457 respondents for the pilot survey and expects each respondent will take eight hours to complete the survey.

[13] Federal Reserve Bank of San Francisco, "Do Low Survey Response Rates Threaten Data Dependence?," *FRBSF Economic Letter*, March 2025, https://www.frbsf.org/research-and-insights/publications/economic-letter/2025/03/do-low-survey-response-rates-threaten-data-dependence/ ("The figure highlights a pronounced decline in the [Current Employment Statistics] response survey rate that roughly coincided with the start of the pandemic. While the response rate was hovering around 60% for the decade preceding the pandemic, it has since declined to less than 45%.").

13. Estimated total annual cost burden.

There are no capital/start-up or ongoing operation/maintenance costs associated with this information collection.

14. Estimated annual cost to the Federal government.

It is estimated that one GS level 15, Step 10 will spend approximately one percent of their time (2,080 annual working hours x one percent is approximately 21 hours) annually reviewing, analyzing, and assimilating survey responses. Based on an annual salary of $195,200, this estimated cost to the government is $1,952.

15. Reason for change in burden.

The burden estimate decreased from 2,237,720 hours in the 60-day notice to 59,656 hours because FinCEN intends to pilot the survey by distributing it exclusively to principal MSBs through their trade associations, rather than attempting to reach all NBFIs in the first instance. For that reason, the estimated expected population is a percentage of principal MSBs (24,856 total) rather than a percentage of 354,172 NBFIs. (FinCEN increased the total NBFI estimate since the 60-day notice was published.)

16. Plans for tabulation, statistical analysis, and publication.

This collection of information will not be tabulated or compiled for publication.

17. Request not to display the OMB expiration date.

FinCEN is seeking approval to not display the OMB expiration date on the survey associated with this information collection.

18. Exceptions to the certification statement.

There are no exceptions to the certification statement.