

# Bank Secrecy Act Rules Reform

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## Issue Update

The administration is prioritizing critical Bank Secrecy Act (BSA) reforms, including implementing the Anti-Money Laundering Act of 2020 (AMLA), the first comprehensive overhaul of BSA laws in over two decades. As part of a suite of reforms, in April, Treasury, the OCC and the FDIC proposed important reforms to BSA program rules. If adopted, these changes would accomplish longstanding reform objectives to reduce check-the-box compliance requirements, allowing banks to focus on real threats—including the \$195 billion Americans may lose annually to fraud, and the trillion-dollar fentanyl crisis.

## Why It Matters

**BSA Program Rule Reform.** The reform proposals would explicitly allow banks to reallocate compliance resources away from low-risk areas and direct them to high-risk areas to focus on real threats, create a new floor for civil enforcement actions and significant supervisory actions, while eliminating unnecessary paperwork and box-checking. Express support for the changes we are proposing to effectively complete this relief.

**Customer Due Diligence (CDD) Rule Reform.** Now that FinCEN understands banks open between 140-160 million new accounts each year, rather than one account per company, FinCEN issued exceptive relief in February 2026, which allows banks to collect beneficial ownership information on a “per customer” basis, and update it on a risk basis, as needed. Express support for FinCEN to incorporate this exceptive relief reform into rule.

**Beneficial Ownership Rule Reform.** FinCEN exempted 33 million U.S. small businesses from beneficial ownership reporting requirements, limiting it to 12,000 foreign businesses. FinCEN should implement additional changes ABA proposed to complete this reform.

**Reports Required Under the BSA.** Cash is still king and over 20 million Currency Transaction Reports (CTRs)—1 for every 16 Americans—are filed annually, five times more than reports of suspicious activity (SARs). Over a third of banks’ SARs are structuring SARs, and other less-valuable reports. FinCEN must modernize the CTR rule and form to limit it to information essential to law enforcement, while easing burden on banks, including by raising the CTR threshold to at least \$30,000. Likewise, state-licensed cannabis businesses—now operating under a federal safe harbor—should not require ongoing SAR reporting. The SAR and CTR forms are full of boxes, unread by law enforcement—but that pose compliance traps for banks. Eliminate these boxes, reduce CTR burden, and focus on suspicious activity.

**Feedback.** Typically, when a bank submits a SAR to FinCEN, the bank hears nothing more. Banks should receive financial transaction typologies to screen for, and consistently receive updated information on evolving law enforcement priorities specific to the areas they serve.

## Recommended Action Item

Express thanks for the important reforms so far, and support the remaining regulatory improvements, providing examples of how the outdated rules divert you from protecting your customers and the U.S. financial system from real threats.