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Anti-Money Laundering | Financial Institutions Update

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FinCEN Issues Important Materials Related to Regulatory Requirements and Whistleblower Tips

Gibson Dunn is monitoring regulatory developments and executive orders closely. Our lawyers are available to assist companies as they navigate the challenges and opportunities posed by the current, evolving legal landscape.

On February 13, 2026, the Department of the Treasury’s Financial Crimes Enforcement Network (FinCEN) issued two important announcements. *First*, FinCEN issued exemptive relief from certain requirements of the customer due diligence requirement. *Second*, FinCEN announced a new, dedicated webpage to confidentially accept whistleblower tips.

Exemptive Relief Order

On February 13, 2026, FinCEN issued an order granting exemptive relief (Exemptive Relief Order or the Order) to covered financial institutions from one requirement to perform customer due diligence, namely the requirement to identify and verify the identities of beneficial owners of legal entity customers at each new account opening.^[1]

Pursuant to a 2016 rule (the 2016 CDD Rule),^[2] “covered financial institutions”^[3] were required to “[i]dentify the beneficial owner(s) of each legal entity customer.” A “legal entity customer” means, with some exceptions, “a corporation, limited liability company, or other entity that is created by the filing of a public document with a Secretary of State or similar office, a general

partnership, and any similar entity formed under the laws of a foreign jurisdiction that opens an account.”^[4] The covered financial institutions were required to obtain from any such legal entity customer specified information about its beneficial owners. When initially issued, the 2016 CDD Rule required that such information be gathered “at the time a new account is opened,”^[5] meaning “each account opened at a covered financial institution by a legal entity customer on or after” the date the rule went into effect, May 11, 2018.^[6]

Pursuant to the Bank Secrecy Act and its implementing regulations, the Secretary of the Treasury, and as delegated by the Secretary the Director of FinCEN, may “prescribe an appropriate exemption” from the requirements of the BSA and its implementing regulations.^[7] Using this authority, the Director of FinCEN issued the Exemptive Relief Order. The Exemptive Relief Order relieves covered financial institutions from the requirement that they must obtain beneficial ownership information for legal entity customers at the time of *each* new account opening. Instead, covered financial institutions only need to identify, and later verify, beneficial owner information for legal entity customers: (1) when the legal entity customer’s accounts are first opened, (2) “when the financial institution has knowledge of information that calls into question the reliability of the previously obtained information,” and (3) “as otherwise required based on the institution’s risk-based procedures for ongoing customer due diligence.”^[8]

With respect to scenario (3), the Exemptive Relief Order states that an institution may rely on previously collected beneficial ownership information if the customer certifies or confirms its accuracy, either orally or in writing, and the institution maintains a record of that confirmation.^[9] If the institution cannot confirm the accuracy of the prior information, it must re-identify and verify the customer’s beneficial owners.^[10] Under the Exemptive Relief Order, covered financial institutions must still comply with general regulatory obligations to implement anti-money laundering programs, including the requirement that they develop risk-based procedures to “maintain and update customer information, including beneficial ownership information. . . of legal entity customers” and follow those procedures to respond to risk-related triggers or events.^[11] The Exemptive Relief Order also noted that covered financial institutions may still elect to identify and verify this information at each new account opening.^[12]

The Exemptive Relief Order is an important touchpoint in FinCEN’s ongoing efforts to reduce the regulatory burden of complying with the BSA.^[13] FinCEN cited several considerations informing its Order, including recent Executive Branch deregulatory initiatives, its statutory obligation under the Corporate Transparency Act to revise the 2016 CDD Rule, and other efforts to reduce regulatory burden.^[14] FinCEN stated that the relief is consistent with policy in Executive Order 14192, *Unleashing Prosperity Through Deregulation* (Jan. 31, 2025), to “reduce. . . private expenditures required to comply with Federal regulations” and “alleviate unnecessary regulatory burdens.”^[15] FinCEN also stated that it anticipates pursuing further changes to the 2016 CDD Rule through the rulemaking process.^[16]

Dedicated Whistleblower Webpage

Additionally, on February 13, 2026, FinCEN also launched a new dedicated webpage to confidentially accept whistleblower tips on fraud, money laundering, and sanctions violations.^[17] Pursuant to the BSA, the Anti-Money Laundering Act of 2020, and the Anti-Money Laundering Whistleblower Improvement Act of 2022, a “whistleblower” who provides information relating to a violation of the BSA, the International Emergency Economic Powers Act, Trading

With the Enemy Act, or Foreign Narcotics Kingpin Designation Act, is eligible for a reward based on the monetary sanctions imposed on the violator.^[18] Based on those authorities, FinCEN has previously accepted tips from whistleblowers.

The new, dedicated webpage represents an operational enhancement to facilitate FinCEN's whistleblower program.^[19] The announcement explains that FinCEN accepts tips regarding violations of conspiracies related anti-money laundering laws, sanctions programs, and other laws safeguarding the U.S. financial system and national security.^[20] The announcement also reiterates that FinCEN may give awards to whistleblowers whose tips result in a successful enforcement action.^[21] On the new webpage, FinCEN states that it plans to publish a regulation to fully implement the applicable statutory provisions, and that once the regulation is finalized, FinCEN will begin processing and paying awards.

This webpage indicates a substantial focus by FinCEN on the whistleblower program, and of the possibility that FinCEN will take future enforcement actions based on whistleblower tips. Further, FinCEN reiterates its intent to provide referrals, both to OFAC (for sanctions violations), and to DOJ for a range of potential criminal considerations, including criminal BSA charges (to the Money Laundering, Narcotics and Forfeiture Section) and criminal sanctions offenses (to various offices of DOJ's National Security Division), among others. FinCEN's focus on whistleblowers should also be considered in conjunction with other recent government efforts to incentivize whistleblowing, including the DOJ Antitrust Division's July 2025 announcement of a new whistleblower program,^[22] and the publication of the first reward under that program in January 2026.^[23]

^[1] FinCEN Issues Exemptive Relief to Streamline Customer Due Diligence Requirements, Financial Crimes Enforcement Network (Feb. 13, 2026), *available* at <https://www.fincen.gov/news/news-releases/fincen-issues-exemptive-relief-streamline-customer-due-diligence-requirements>.

^[2] FinCEN, Customer Due Diligence Requirements for Financial Institutions, 81 Fed. Reg. 29398 (May 11, 2016).

^[3] Those "covered financial institutions" are banks, broker-dealers, futures commission merchants, introducing brokers, and mutual funds. 31 C.F.R. §§ 1010.230(f), 1010.605(e)(1).

^[4] 31 C.F.R. § 1010.230(e)(1).

^[5] 31 C.F.R. § 1010.230(b)(1).

^[6] 31 C.F.R. § 1010.230(g).

^[7] 31 U.S.C. § 5318(a)(7); 31 C.F.R. § 1010.970.

^[8] Exemptive Relief Order at 1.

^[9] *Id.* at 8–9.

^[10] *Id.* at 9.

[11] *Id.* at 6–7.

[12] *Id.* at 7.

[13] For our thoughts about prior efforts by the Trump Administration to reduce regulatory burdens in anti-money laundering compliance, please see our “[2025 Year-End Developments in Anti-Money Laundering](#)” and other resources.

[14] Exemptive Relief Order at 4–6.

[15] *Id.* at 5–6 (citing E.O. 14192, *Unleashing Prosperity Through Deregulation* (Jan. 31, 2025)).

[16] *Id.* at 6.

[17] FinCEN Launches Webpage for Whistleblower Tips on Fraud, Money Laundering, Sanctions Violations, Financial Crimes Enforcement Network (Feb. 13, 2026), *available at* <https://www.fincen.gov/news/news-releases/fincen-launches-webpage-whistleblower-tips-fraud-money-laundering-sanctions>.

[18] 31 U.S.C. § 5323.

[19] The webpage is found at: <https://www.fincen.gov/whistleblower-program>.

[20] FinCEN Launches Webpage for Whistleblower Tips on Fraud, Money Laundering, Sanctions Violations (Feb. 13, 2026), *available at* <https://www.fincen.gov/news/news-releases/fincen-launches-webpage-whistleblower-tips-fraud-money-laundering-sanctions>.

[21] *Id.*

[22] For more on the Antitrust Division’s Program, please see the Gibson Dunn [client alert](#).

[23] Antitrust Division and U.S. Postal Service Make First-Ever Whistleblower Payment: \$1M Awarded for Reporting Antitrust Crime (Jan. 29, 2026), U.S. Dep’t of Justice, *available at* <https://www.justice.gov/opa/pr/antitrust-division-and-us-postal-service-award-first-ever-1m-payment-whistleblower-reporting>.

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Gibson Dunn has deep experience with issues relating to the Bank Secrecy Act, other AML and sanctions laws and regulations, and the defense of financial institutions more broadly. For assistance, please contact any of the authors, the Gibson Dunn lawyer with whom you usually work, or any of the leaders and members of the firm's Anti-Money Laundering / Financial Institutions, Financial Regulatory, and White Collar Defense & Investigations practice groups:

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