



ANNUAL COMPLIANCE REVIEW

2025

The recalibration year: new administration, narrower CTA, broader perimeter

By Dominic Suszek

Founder and CEO, Global RADAR Solutions

Table of Contents

A Note from the Founder.....	3
Trends and Year-over-Year Comparison.....	3
The Five Most Important Items of the Year.....	4
Other Material Developments.....	6
Notable Fines and Enforcement Actions.....	8
Closing Note.....	9

A Note from the Founder

When I started writing this review, I had to keep reminding myself that 2025 was a year of redirection, not retreat. The new administration paused beneficial ownership reporting for US-formed entities. The DOJ disbanded the National Cryptocurrency Enforcement Team. Total AML and sanctions enforcement dropped to approximately 940 million dollars, well below the 3.5 billion that 2024 had set as a benchmark.

But the perimeter still expanded. The residential real estate rule went live on December 1. The investment adviser rule moved from a 2026 effective date to 2028, but firms continued building. State attorneys general (notably the New York DFS) increased their own enforcement tempo. And the OKX, Paxful, and Brink's resolutions made clear that enforcement had not stopped, it had narrowed. Substantive obligations did not contract. Federal headline enforcement appetite did. Programs that read the political weather as a green light to underinvest will regret it.

The story I wanted this review to tell is that compliance leaders need to read the regulator's signal, not the political headline. The supervisory population (OCC, FDIC, NCUA, NYDFS, state AGs) continued issuing program-level orders even as the federal aggregate fell. The pipeline of unresolved cases from 2023 and 2024 continued to convert into settlements. And the structural reforms that began in 2024 (perimeter expansion, individual accountability, executive criminal liability) cannot be undone by an administration change. Programs that built to last in 2024 are in a strong position. Programs that hoped for relief are in a worse position than they realize.

Trends and Year-over-Year Comparison

Compared to 2024, the shift was from federal headline enforcement to a mix of state supervisory action, perimeter rule phase-in, and individual accountability. The federal aggregate dropped to about 940 million dollars per the Paul Weiss year-end review, the lowest annual total since the pre-AML Act period. But the supervisory population (OCC, FDIC, NCUA, NYDFS, state attorneys general) continued issuing program-level orders.

The trend moving into 2026 will be defined by three things: how the residential real estate rule actually functions in practice, whether the investment adviser rule survives further delay or is rolled back, and whether the federal enforcement appetite returns or continues to recede. For programs, the planning answer is to build to the published rule, not to the rumored political weather. Programs that built to last in 2024 will operate efficiently in 2026 regardless of which direction the federal posture moves.

A second trend worth naming: the AI question. Through 2025, FinCEN published guidance acknowledging the use of AI in BSA programs. Several large banks reported deployments of large language models in alert triage and SAR narrative drafting. Examiners began asking questions about model risk management, explainability, and bias testing in AML-AI systems. The technology question intersected with the regulatory question in a way that compliance leaders will spend the next several years working through.

The Five Most Important Items of 2025

This is the short list. If a Chief Compliance Officer reads nothing else in this review, these are the five developments that mattered most in 2025, why they mattered, and what they meant for a working AML program.

1. FinCEN rolls back BOI for US-formed entities

On March 26, 2025, FinCEN issued an interim final rule eliminating beneficial ownership information reporting for US-created entities and US persons. CTA reporting was narrowed to foreign reporting companies only. The 2016 CDD rule remains in force at financial institutions, so the operational impact on customer onboarding is limited.

But the centralized federal registry that had been one of the most important AML modernizations in a generation is no longer being populated by domestic entities. The strategic loss is real. The reason the CTA existed was the FATF mutual-evaluation finding that the US could not produce timely beneficial ownership information for law enforcement. That gap is now reopened. For compliance programs the practical implication is that customer onboarding continues to depend on institution-collected BOI rather than database lookup, and the planned automation roadmaps for BOI ingestion have largely been deprioritized.

2. Residential Real Estate Reporting rule takes effect

On December 1, 2025, FinCEN's residential real estate rule took effect. Settlement agents, title insurance providers, and other professionals in the regulatory cascade became responsible for reporting non-financed transfers of residential property to legal entities or trusts. Initial reporting volumes will be a year-end 2025 and 2026 indicator of how well the rule is functioning.

The first weeks of reporting volume produced a useful baseline. Title insurance providers reported the largest share of filings. Settlement agents reported the next largest share. Patterns of property type, geographic concentration, and entity structure align with what the Geographic Targeting Order data had suggested. The first FinCEN financial trend analysis based on the new rule's data is expected in 2026 and will be closely watched as an indicator of whether the rule is producing useful intelligence.

3. DOJ narrows crypto enforcement priorities

On April 7, 2025, the DOJ issued a memorandum significantly narrowing digital asset enforcement priorities to focus on individual users engaged in fraud, sanctions evasion, and serious crime, while deprioritizing compliance gaps at platforms. The memo formally disbanded the National Cryptocurrency Enforcement Team.

The state-level response was an increase in attorney general activity and a coordinated 80 million dollar action against Block Inc. by 48 state regulators. For crypto operators the message was mixed. Federal pressure on compliance-program gaps eased. State pressure increased. NYDFS in particular maintained an aggressive examination posture and produced enforcement findings throughout the year. Operators that read the federal memo as a license to relax program investment found themselves exposed at the state level instead.

4. OKX and Paxful resolutions close out historical conduct

OKX agreed in February 2025 to a 504 million dollar DOJ resolution for unlicensed money transmission and AML failures. Paxful received a 3.5 million dollar FinCEN penalty for willful BSA violations after facilitating

approximately 500 million in illicit activity. The cases closed out conduct that ran through 2024, signaling that even in a narrower federal enforcement posture, pre-2025 conduct will continue to surface in 2026 and beyond.

The pattern is important. A change in federal enforcement appetite does not erase the pipeline of investigations already in process. Cases opened in 2022 and 2023 take years to mature into resolutions. The 940 million dollar 2025 total includes resolutions for conduct that predates the administration change. The 2026 and 2027 totals will likely continue to include carry-over resolutions of similar character. Compliance leaders should not interpret the lower headline total as a permanent change in regulator behavior.

5. Investment Adviser AML rule postponed to 2028

On December 31, 2025, FinCEN postponed the effective date of the investment adviser rule from January 1, 2026 to January 1, 2028, citing implementation feedback and the new administration's regulatory review. Most adviser firms that had begun program build either paused or shifted to a phased posture.

Adviser firms that had retained outsourced BSA officer services or licensed AML software continued those contracts in many cases, viewing the postponement as a delay rather than a cancellation. Vendors in the adviser-AML segment adjusted their go-to-market timelines accordingly. The advisers in the strongest position at the eventual 2028 effective date will be those that used the additional two years to refine their CIP, transaction-monitoring, and independent-testing protocols, rather than those that shelved the work entirely.

Other Material Developments

Beyond the top five, 2025 produced a set of regulatory, enforcement, and supervisory developments that did not dominate the headlines but materially affected how compliance programs are designed and tested. The items below are the ones that came up most in the program reviews and customer conversations we ran throughout the year.

Block Inc. pays 80 million dollars in a multi-state action

A coordinated 48-state attorney general action against Block Inc. (operator of Cash App) resulted in an 80 million dollar penalty in early 2025 for insufficient AML monitoring and prevention. The case demonstrated that state regulators can step into a federal enforcement gap, particularly for consumer-facing fintech platforms, and the coordination among state regulators represented a maturation of the multistate enforcement model.

Brink's Global Services pays 42 million dollars

In February 2025, FinCEN and DOJ resolved with Brink's Global Services USA for 37 million dollars in civil monetary penalties plus 5 million in additional payments, the first FinCEN action against an armored car company. The case extended BSA coverage thinking into a transport-and-logistics sector that had historically not been a primary enforcement target. The findings included Title 31 reporting failures involving cross-border currency movements that had been mischaracterized for years.

OFAC continues steady-state Russia and Iran designations

OFAC designation tempo on Russia, Iran, and the secondary maritime services supply chain continued through 2025. The oil price cap mechanism remained active. Sanctions teams continued operating at the post-2022 staffing level, with a modest reduction in tempo as the highest-priority designations from the early war period stabilized.

FATF removes UAE from the gray list

In February 2024, FATF removed the UAE from gray list status, with the effect carrying through 2025 examination cycles. Correspondent banks recalibrated UAE-counterparty due diligence accordingly. By Q4 2025, most large correspondent banks had returned UAE corridors to standard EDD posture.

EU AMLA establishes itself in Frankfurt

The EU's new Anti-Money Laundering Authority (AMLA) began stand-up operations in Frankfurt in 2025, ahead of supervisory responsibility taking effect in 2028. AMLA's eventual perimeter (direct supervision of approximately 40 of the riskiest cross-border EU financial institutions) will reshape the European supervisory map. Throughout 2025 the authority focused on staff recruitment, IT build, and convergence guidance development.

Bank of America program overhaul advances

The Bank of America cease-and-desist issued in December 2024 drove a year-long program rebuild in 2025. The bank's public disclosures and the OCC's quarterly readiness assessments framed the work as multi-year, with detection model recalibration and SAR backlog management as priority workstreams. By year-end the

bank had reported material progress against the most acute deficiencies but had not yet been released from the order.

FinCEN proposes a fundamental BSA program reform

Late in 2025, FinCEN published a proposed rule that would shift BSA AML and CFT program requirements toward an explicitly risk-based framework, replacing some of the prescriptive elements of the existing program rule. The proposal will likely be finalized in 2026 and is the most consequential program rulemaking since the original Section 326 customer identification rule. The proposed rule would require institutions to document the rationale for their risk-based prioritization and would explicitly recognize that lower-risk areas may receive lower-intensity controls.

AI in BSA programs becomes an explicit supervisory topic

FinCEN and the federal banking agencies issued joint guidance during 2025 addressing the use of AI and machine learning in BSA programs. The guidance emphasized model risk management, explainability, ongoing performance testing, and fair-lending equivalent considerations applied to AML-AI tools. Examiners began asking specific questions about how AI is used in alert triage, SAR narrative drafting, and customer-risk scoring.

FinCEN issues year-in-review trend analysis

FinCEN released its annual financial trend analyses on identity-related suspicious activity, elder fraud, and ransomware. The reports continued to show identity fraud as a dominant theme and increased the agency's emphasis on the role of fintech and prepaid products in the money-movement chain. The reports informed examination focus areas heading into 2026.

Notable Fines and Enforcement Actions

The table below lists the headline AML, BSA, and sanctions enforcement actions of 2025, along with the regulator and the penalty amount. Where the action involved multiple regulators in a coordinated resolution, the combined amount is shown and the agencies are listed in the regulator column. This is not exhaustive: it is the set of cases that drove the most attention from compliance teams and boards during the year.

Company	Regulator	Amount	Notes
OKX	DOJ	504 million USD	Unlicensed money transmission and AML failures, announced February 2025
Block Inc. (Cash App)	48 state financial regulators	80 million USD	Multi-state coordinated AML monitoring failure action
Brink's Global Services USA	FinCEN / DOJ	37 million USD CMP plus 5 million	First FinCEN action against an armored car company
Paxful	FinCEN	3.5 million USD	Willful BSA violations, approximately 500 million USD facilitated
KuCoin	DOJ	297 million USD	Announced January 2025, BSA violations 2018-2024
Bank of America (continued from 2024)	OCC	Cease-and-desist, no CMP	Multi-year program rebuild continued through 2025
Toronto Dominion (continued from 2024)	Monitor reporting	Asset cap in effect, monitor active	TD's remediation program in year two
Multiple state-level fintech actions	NYDFS / state AGs	Aggregate hundreds of millions	State enforcement increased as federal aggregate declined
OCC-supervised mid-sized banks (multiple)	OCC	Various consent orders	Program-governance and SAR-quality findings dominated
EU national regulators (various)	AMLA precursor regimes	Aggregate approximately 300 million EUR	Final wave of EU national enforcement before AMLA supervision

Closing Note

I want to close this review with a forward look. The compliance leaders I respect most are not the ones who guess what the regulator will do next year. They are the ones who build programs that are robust to whichever direction the regulator goes. Build to the published rule. Build for the SAR that has to be defensible to a future supervisor. Build for the customer due diligence file that has to hold up in a future enforcement context.

When 2026 ends, this series will produce another review. We will see what changed, why it mattered, and what to do next. Thank you for reading. If you have suggestions for how to make this series more useful, I would be glad to hear them. The compliance community runs on shared learning, and the audiences for these reviews are the senior compliance leaders who shape how their institutions operate. Helping you do that job better is the reason this document exists.

Dominic Suszek

Founder and CEO, Global RADAR Solutions