NEWSLETTER – SEPTEMBER 2025

DEREGULATION

The current year, 2025, has been unique in that not only has it seen a steep downward trend in the issuance of new regulations but some significant actions by the regulatory agencies aimed at regulatory relief through roll-back of regulations as well as non-finalization or postponement of already issued Notices of Proposed Rulemaking ("NPRMs"). Some of these are listed below:

- On March 3, 2025, the Federal Deposit Insurance Corporation ("FDIC") withdrew 4 outstanding proposed rules relating to brokered deposits dated August 23, 2024; corporate governance dated October 11, 2023; changes in Bank Control Act dated August 19, 2024; and the proposal dated May 3, 2024 related to incentive-based compensation arrangements and withdrawing staff's authority to publish related proposed rule[1].

- On March 28, 2025, the (FDIC) issued a Financial Institution Letter (FIL-7-2025) that provided updated guidance for FDIC-supervised institutions engaging or seeking to engage in crypto-related activities[2]. The new guidance, which rescinded FIL-16-2022 dated April 7, 2022, clarified that FDIC-supervised institutions may engage in permissible crypto-related activities without prior FDIC approval. The March 28, 2025[3] guidance was supplemented on April 24, 2025 through withdrawal of the 2 joint statements issued earlier by the FDIC along with the Board of Governors of the Federal Reserve System on January 3, 2023 and February 23, 2023 and provided clarification that banks may engage in permissible crypto-asset activities, providing products and services to those engaged in crypto-asset related activities.

- In March 2025, FinCEN issued an interim final rule removing the requirement for U.S. companies and U.S. persons to report beneficial ownership information (BOI) to FinCEN under the Corporate Transparency Act[4].

- On June 27, 2025, the Financial Crimes Enforcement Network ("FinCEN") granted an exemption[5] from a requirement of the Customer Identification Program ("CIP") Rule by

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[1] https://www.fdic.gov/news/press-releases/2025/fdic-board-directors-withdraws-four-outstanding-proposed-rules
[2] https://www.fdic.gov/news/press-releases/2025/fdic-clarifies-process-banks-engage-crypto-related-activities
[3] https://www.fdic.gov/news/press-releases/2025/agencies-withdraw-joint-statements-crypto-assets
[4] https://www.fincen.gov/news/news-releases/fincen-removes-beneficial-ownership-reporting-requirements-us-companies-and-us
[5] https://www.fincen.gov/news/news-releases/fincen-permits-banks-use-alternative-collection-method-obtaining-tin-information

permitting banks and credit unions to use an alternative collection method to obtain Tax Identification Number information from a third-party rather than from the customers.

- In June 2025, the Consumer Financial Protection Bureau ("CFPB") proposed extending compliance deadlines for the small business lending rule. The compliance dates set forth in the 2024 interim final rule have been extended by about a year[6].

- In July 2025, the Federal Banking Regulators issued a proposal to rescind the Community Reinvestment Act ("CRA") final rule issued in October 2023 and replace it with the prior CRA regulations that were originally adopted by the agencies in 1995, with certain technical amendments[7].

- Also, in July 2025, the Federal Bank Regulatory Agencies ("Agencies") announced their fourth notice requesting public comments to reduce regulatory burden[8]. As part of the review process, the Agencies had divided their regulations into 12 categories and this notice solicited comments on their regulations for the three remaining categories: Banking Operations, Capital, and the Community Reinvestment Act.

- July 2025 also saw a significant proposed rulemaking from FDIC, which aims at adjusting regulatory thresholds[9]. The proposed changes would affect various aspects of FDIC regulations, including audit requirements under Part 363 and other asset-based thresholds. By adjusting the thresholds, the FDIC aims to provide relief to institutions and ensure that regulations are appropriately tailored to their size and risk profile. One of the significant changes proposed include raising the general applicability threshold under Federal Deposit Insurance Corporation Improvement Act of 1991("FDICIA") from $500 million to $1 billion, the Internal Control over Financial Reporting ("IFCR") asset threshold from $1 billion to $5 billion, and the thresholds related to audit committee compositions.

- On September 19, 2025, FinCEN issued an NPRM postponing the effective date of the Investment Advisor Rule to January 1, 2028[10]. This rule was to become effective on January 1, 2026 earlier.

For further guidance or assistance contact us at: info@RGSGlobalAdvisors.com

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[6] https://www.consumerfinance.gov/1071-rule/

[7] https://www.fdic.gov/board/community-reinvestment-act-regulations-notice-proposed-rulemaking.pdf

[8] https://www.fdic.gov/board/egrpra-fourth-federal-register-notice.pdf

[9] https://www.fdic.gov/news/financial-institution-letters/2025/notice-proposed-rulemaking-adjusting-and-indexing-certain

[10] https://www.fincen.gov/news/news-releases/fincen-issues-proposed-rule-postpone-effective-date-investment-adviser-rule