(BILLING CODE: 4810-02-P)

This document has been submitted to the Office of the Federal Register (FR) for publication and is currently pending placement on public display at the FR and publication in the Federal Register. The document may vary slightly from the published document if minor editorial changes have been made during the FR review process. Upon publication in the Federal Register, the proposed regulation can be found at www.federalregister.gov and at www.treasury.gov. The document published in the Federal Register is the official document.

DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

31 CFR Chapter X, Part 1010

RIN 1506-AB76

Proposal of Special Measure Regarding Banque Misr UAE as a Financial Institution Operating Outside of the United States of Primary Money Laundering Concern

AGENCY: Financial Crimes Enforcement Network (FinCEN), Treasury.

ACTION: Notice of proposed rulemaking.

SUMMARY: FinCEN is issuing a notice of proposed rulemaking, pursuant to section 311 of the USA PATRIOT Act, that finds the five United Arab Emirates-based branches of Banque Misr (collectively, Banque Misr UAE) to be of primary money laundering concern and proposes imposing a special measure to: (1) prohibit U.S. financial institutions from opening or maintaining a correspondent account for, or on behalf of, Banque Misr UAE; (2) require U.S. financial institutions to take reasonable steps not to process a transaction for the correspondent account in the United States of a foreign banking institution if such a transaction involves Banque Misr UAE; and (3) require U.S. financial institutions to apply special due diligence to their foreign correspondent accounts that are reasonably designed to guard against their use to process transactions involving Banque Misr UAE.

DATES: Written comments on the notice of proposed rulemaking must be submitted on or before **[INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].**

ADDRESSES: Comments must be submitted in one of the following two ways (please choose only one of the ways listed):

- *Federal E-rulemaking Portal:* https://www.regulations.gov. If you are reading this document on federalregister.gov, you may use the green "SUBMIT A PUBLIC COMMENT" button beneath this rulemaking's title to submit a comment to the regulations.gov docket.
- *Mail*: Financial Crimes Enforcement Network, P.O. Box 39, Vienna, VA 22183. Refer to Docket Number FINCEN-2026-0232 in the submission.

Do not include any personally identifiable information (such as name, address, or other contact information) or confidential business information that you do not want publicly disclosed. All comments are public records; they are publicly displayed exactly as received, and will not be deleted, modified, or redacted. Comments may be submitted anonymously. Follow the search instructions on https://www.regulations.gov to view public comments.

FOR FURTHER INFORMATION CONTACT: The FinCEN Resource Center at www.fincen.gov/contact.

SUPPLEMENTARY INFORMATION:

I. Statutory Provisions

Section 311 of the USA PATRIOT Act[1] (section 311), codified at 31 U.S.C. 5318A, grants the Secretary of the Treasury (Secretary) the authority to make a finding that "reasonable

[1] Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, Public Law 107–56, 115 Stat. 272 (Oct. 26, 2001) (USA PATRIOT Act).

grounds exist for concluding" that any of the following "is of primary money laundering concern":

(i) A jurisdiction outside of the United States;

(ii) One or more financial institutions operating outside of the United States;

(iii) One or more classes of transactions within, or involving, a jurisdiction outside of the United States; or

(iv) One or more types of accounts.[2]

Upon making such a finding, the Secretary is authorized to require domestic financial institutions and domestic financial agencies—collectively, "covered financial institutions"[3]—to take certain "special measures." Specifically, pursuant to section 311, the Secretary may impose one or more of five possible special measures as safeguards to defend the U.S. financial system from money laundering and terrorist financing risks. Through special measures one through four, the Secretary may impose additional recordkeeping, information collection, and reporting requirements on covered financial institutions.[4] Through special measure five, the Secretary may "prohibit, or impose conditions upon, the opening or maintaining in the United States of a correspondent account or payable-through account" for or on behalf of a foreign banking institution, if such correspondent account or payable-through account involves the financial institution operating outside of the United States found to be of primary money laundering concern.[5]

[2] 31 U.S.C. 5318A(a)(1).
[3] For purposes of this proposed rulemaking, the term "covered financial institution" has the same meaning as provided at 31 C.F.R. 1010.605(e)(1); *see infra* Section VI.A.3.
[4] 31 U.S.C. 5318A(b)(1)–(4).
[5] 31 U.S.C. 5318A(b)(5).

Before making a finding that reasonable grounds exist for concluding that a financial institution operating outside of the United States (or other jurisdiction, account, or class of transactions) is of primary money laundering concern, the Secretary is required to consult with both the Secretary of State and the Attorney General.[6] In addition, among the information the Secretary determines to be relevant in making such a finding about a financial institution, the Secretary is required to consider the following potentially relevant institutional factors:

- The extent to which such a financial institution is used to facilitate or promote money laundering in or through a jurisdiction outside the United States, including any money laundering activity by organized criminal groups, international terrorists, or entities involved in the proliferation of weapons of mass destruction (WMD) or missiles.
- The extent to which such a financial institution is used for legitimate business purposes in the jurisdiction; and
- The extent to which the action being proposed is sufficient to ensure, with respect to transactions involving the jurisdiction and institutions operating in the jurisdiction, that the purposes of section 311 continue to be fulfilled, and to guard against international money laundering and other financial crimes.[7]

In selecting one or more special measures, the Secretary "shall consult with the Chairman of the Board of Governors of the Federal Reserve System, any other appropriate Federal banking agency (as defined in section 3 of the Federal Deposit Insurance Act), the Secretary of State, the Securities and Exchange Commission, the Commodity Futures Trading Commission, the National Credit Union Administration Board, and in the sole discretion of the Secretary, such

[6] 31 U.S.C. 5318A(c)(1).
[7] 31 U.S.C. 5318A(c)(2)(B)(i)-(iii). In addition, in the case of a finding relating to a particular jurisdiction, section 311 sets out certain "jurisdictional factors" that the Secretary may consider, which are not relevant here. *See* 31 U.S.C. 5318A(c)(2)(A)(i)-(vii).

other agencies and interested parties as the Secretary may find appropriate."[8] When imposing special measure five, the Secretary must do so "in consultation with the Secretary of State, the Attorney General, and the Chairman of the Board of Governors of the Federal Reserve System."[9] In addition, the Secretary is required to consider the following factors:

- Whether similar action has been or is being taken by other nations or multilateral groups;
- Whether the imposition of any particular special measure would create a significant competitive disadvantage, including any undue cost or burden associated with compliance, for financial institutions organized or licensed in the United States;
- The extent to which the action or the timing of the action would have a significant adverse systemic impact on the international payment, clearance, and settlement system, or on legitimate business activities involving the particular jurisdiction, institution, class of transactions, or type of account; and
- The effect of the action on United States national security and foreign policy.[10]

The authority of the Secretary to administer the Bank Secrecy Act (BSA)[11] and its implementing regulations, including the authority under section 311 to make such a finding and to impose special measures, has been delegated to FinCEN.[12]

II. Summary

Banque Misr UAE consists of five UAE-based branches of the Arab Republic of Egypt

---

[8] 31 U.S.C. 5318A(a)(4)(A).
[9] 31 U.S.C. 5318A(b)(5).
[10] 31 U.S.C. 5318A(a)(4)(B)(i)-(iv).
[11] The BSA, as amended, is the popular name for a collection of statutory authorities that FinCEN administers that is codified at 12 U.S.C. 1829b, 1951-1960 and 31 U.S.C. 5311-5314, 5316-5336, and includes other authorities reflected in notes thereto. Regulations implementing the BSA appear at 31 CFR Chapter X.
[12] *See* Treasury Order 180-01 (Jan. 14, 2020).

(Egypt)-based state-owned commercial bank, Banque Misr.[13]

Based on public and non-public information, FinCEN assesses that Banque Misr UAE serves as a critical access node to the U.S. dollar (USD) for Iranian illicit finance, putting U.S. national security at risk and undermining the integrity of the U.S. financial system. Egypt-based Banque Misr, and its branches and operations in countries other than the UAE, are expressly excluded from the definition of "Banque Misr UAE" for the purposes of this NPRM.

This NPRM sets forth FinCEN's finding that Banque Misr UAE is a financial institution operating outside of the United States of primary money laundering concern. Accordingly, FinCEN proposes that, under special measure five, covered financial institutions: (1) be prohibited from opening or maintaining a correspondent account for, or on behalf of, Banque Misr UAE; (2) take reasonable steps not to process a transaction for the correspondent account in the United States of a foreign banking institution if such a transaction involves Banque Misr UAE; and (3) apply special due diligence to their foreign correspondent accounts that is reasonably designed to guard against their use to process transactions involving Banque Misr UAE.

III. Background

The Islamic Republic of Iran (Iran) is subject to comprehensive U.S. sanctions,[14]

---

[13] Banque Misr UAE is also wholly owned by the government of Egypt. Egypt-based Banque Misr commenced its operations in the UAE in August 1972 under the name of Banque Du Caire. In July 2007, these UAE branches were fully acquired by Banque Misr, wholly owned by the government of Egypt. CBUAE, *Licensing,* https://www.centralbank.ae/en/licensing (last accessed Aug. 6, 2026); *see also* Banque Misr, *Regional and Foreign Branches*, https://www.banquemisr.com/en/CONTACT-US/Regional-and-Foreign-Branches (last accessed Aug. 6, 2026); Banque Misr, *History,* https://banquemisr.com/Home/ABOUT%20US/History (last accessed Aug. 6, 2026); Banque Misr United Arab Emirates Branches, *Financial Statements for Year Ended 31 December 2025*, https://www.banquemisr.ae/repository/images/2026/05/Banque-Misr-UAE_FS-31-Dec-2025-1.pdf (last accessed Aug. 10, 2026).

[14] The U.S. maintains comprehensive sanctions on Iran, which prohibit most transactions and activities with Iran by U.S. persons or within the United States, unless exempt or authorized by the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC). For more information, *see* OFAC, "Iran Sanctions," (last accessed Aug. 10, 2026).

including a prohibition on opening or maintaining correspondent accounts in the United States for, or on behalf of, Iranian financial institutions pursuant to section 311.[15] To evade sanctions, Iran relies on multi-jurisdictional "shadow banking" networks to sell oil and other commodities abroad, launder the proceeds, fund weapons procurement and support regional terrorist proxies. These shadow banking networks consist of Iran-based exchange houses and front companies that enable sanctioned Iranian entities to access USD and financial system through U.S. correspondent banking accounts. Front companies are predominantly registered in third-country jurisdictions such as the UAE and the Special Administrative Region of Hong Kong (Hong Kong) to obscure beneficial ownership, disguise the origin of funds, and enable movement of proceeds linked to Iranian sanctions evasion and other illicit activity. FinCEN previously identified approximately USD 9 billion of potential Iranian shadow banking activity that occurred through U.S. correspondent accounts in 2024.[16] It is therefore critical to address the role that financial institutions operating outside of the United States play in facilitating Iranian shadow banking networks.

IV. Finding that Banque Misr UAE is a Financial Institution Operating Outside of the United States

As set forth above, section 311 authorizes FinCEN, through delegated authority and in pertinent part, to make a finding "that reasonable grounds exist for concluding" that "[one] or more financial institutions operating outside of the United States" is "of primary money

[15] *See* FinCEN, *Imposition of Fifth Special Measure Against the Islamic Republic of Iran as a Jurisdiction of Primary Money Laundering Concern*, 84 FR 59302 (Nov. 14, 2019); *see also* 31 CFR 1010.661.
[16] FinCEN, FIN-2025-A002, *FinCEN Advisory on the Iranian Regime's Illicit Oil Smuggling Activities, Shadow Banking Networks, and Weapons Procurement Efforts* (June 6, 2025), https://www.fincen.gov/system/files/FinCEN-Advisory-Illicit-Oil-Smuggling-508.pdf; FinCEN, Financial Trend Analysis; *Iranian Shadow Banking: Trends in Bank Secrecy Act Data* (Oct. 2025), https://www.fincen.gov/system/files/2025-10/FTA-Iranian-Shadow-Banking.pdf; FinCEN, FIN-2026-Alert002, *FinCEN Alert on the Use of Front Companies, Financial Facilitators, and Digital Asset Infrastructure by Iran's Islamic Revolutionary Guard Corps to Evade Sanctions and Launder Proceeds* (May 11, 2026), https://www.fincen.gov/system/files/2026-05/FinCEN-Alert-IRGC.pdf.

laundering concern."[17] A prerequisite to such a finding is that the relevant institution is a "financial institution operating outside of the United States."[18]

Banque Misr UAE is a commercial bank in the UAE offering a range of retail and wholesale banking services.[19] A "financial institution" for purposes of section 311 includes "a commercial bank or trust company."[20] Banque Misr UAE is therefore a financial institution within the meaning of section 311. Banque Misr UAE operates under UAE banking regulations and is regulated by the Central Bank of the UAE (CBUAE), the UAE financial supervisor.[21] Accordingly, FinCEN finds that reasonable grounds exist to conclude that Banque Misr UAE is a financial institution operating outside of the United States.

V. Finding that Banque Misr UAE is of Primary Money Laundering Concern

Pursuant to 31 U.S.C. 5318A(a)(1), FinCEN finds that reasonable grounds exist for concluding that Banque Misr UAE is a financial institution operating outside of the United States of primary money laundering concern. Below is a discussion of the relevant statutory factors FinCEN considered in making this finding.

---

[17] 31 U.S.C. 5318A(a)(1).

[18] 31 U.S.C. 5318A(a)(1) authorizes the imposition of special measures on, among others, "financial institutions operating outside of the United States." Of the five special measures authorized by the statute, special measure five authorizes "Prohibitions or Conditions on Opening or Maintaining Certain Correspondent or Payable-Through Accounts." The statute goes on to define the terms "correspondent account" and "payable-through account" with reference to payments made on behalf of a "foreign financial institution"—a term otherwise undefined. For the purposes of this NPRM, and under these facts, FinCEN finds that Banque Misr UAE is both a foreign financial institution and a financial institution outside of the United States.

[19] Banque Misr United Arab Emirates Branches, *Financial Statements for Year Ended 31 December 2025*, https://www.banquemisr.ae/repository/images/2026/05/Banque-Misr-UAE_FS-31-Dec-2025-1.pdf (last accessed Aug. 10, 2026).

[20] 31 U.S.C. 5312(a)(2)(B).

[21] CBUAE, *Licensing,* https://www.centralbank.ae/en/licensing (last accessed Aug. 6, 2026).

A. *The extent to which Banque Misr UAE is used to facilitate or promote money laundering, including any money laundering activity by organized criminal groups, international terrorists, or entities involved in the proliferation of WMD or missiles*

Based on public and non-public information, FinCEN assesses that Banque Misr UAE serves as a significant conduit for Iranian shadow banking. FinCEN analyzed Iranian shadow banking between June 2025 and June 2026, from non-public information made available to FinCEN, and observed Banque Misr UAE to have a concerningly high percentage of potential Iranian shadow banking to assets in the data available and given the size of its assets.

Overall, FinCEN identified 103 potential Iranian shadow banking front companies transacting approximately USD 1.8 billion, using accounts with Banque Misr UAE from January 2024 to June 2026. This includes approximately USD 520 million over the most recent 12-month period. Banque Misr UAE customers involved in this activity include, but are not limited to:

1. *Alpa Trading FZCO.* Alpa Trading FZCO, a UAE-based front company operated by Iranian financial facilitators, knowingly facilitated illicit flows of funds, including for the purchase of products on behalf of Iran's Ministry of Defense and Armed Forces Logistics (MODAFL) and the Islamic Revolutionary Guard Corps (IRGC), both of which have been designated as Specially Designated Global Terrorists (SDGTs) by OFAC.[22] In September 2025, Alpa Trading FZCO was designated as an SDGT pursuant to E.O. 13224, as amended, for having materially assisted, sponsored, or provided financial, material, or technological support for, or goods or services to or in support of, Ramin Jalalian.[23] Ramin Jalalian, an OFAC-designated

[22] On October 25, 2007, OFAC designated the Islamic Revolutionary Guard Corps-Qods Force (IRGC-QF) pursuant to E.O. 13224 for its support to multiple terrorist organizations. On October 13, 2017, OFAC designated its parent organization, the Islamic Revolutionary Guard Corps (IRGC), pursuant to E.O. 13224 for support to the IRGC-QF.

[23] Department of the Treasury, Press Release, *Treasury Targets Financial Network Supporting Iran's Military* (Sept. 16, 2025), https://home.treasury.gov/news/press-releases/sb0248 (last accessed Aug. 12, 2026).

Iranian currency exchanger and businessman, worked at the instruction of MODAFL's supply division, to bypass U.S. and European sanctions on Iran.[24] FinCEN's analysis of public and non-public information identified, between 2024 and 2025, Banque Misr UAE processed over USD 32 million in transactions for Alpa Trading FZCO.

2. *Naba Alzaki Raw Materials Trading LLC.* Naba Alzaki Raw Materials Trading LLC, a UAE-based front company, has been used by Iran-based Mohsen Khandan and Partners General Partnership Company (Khandan Exchange) as part of Iran's shadow banking network.[25] In July 2026, OFAC designated Naba Alzaki Raw Materials Trading LLC pursuant to E.O. 13902, for operating in the financial sector of the Iranian economy.[26] FinCEN's analysis of public and non-public information identified that between March and July 2025, Banque Misr UAE processed over USD 29 million in transactions for Naba Alzaki Raw Materials Trading LLC.

3. *Midas Oil Trading DMCC.* According to press reporting, UAE-based Midas Oil Trading DMCC is a key money laundering entity on behalf of Iranian Supreme Leader Mojtaba Khamenei.[27] FinCEN's analysis of public and non-public information identified that in January 2025, Banque Misr UAE processed a transaction for over USD 1 million for Midas Oil Trading DMCC.

---

[24] U.S. Department of the Treasury, Press Release, *Treasury Targets Shadow Banking Network Moving Billions for Iran's Military* (June 25, 2024), https://home.treasury.gov/news/press-releases/jy2431.

[25] Khandan Exchange entered into contracts with OFAC-designated Iranian banks, including Parsian Bank, Export Development Bank, Bank Saderat, Bank Sepah, Sina Bank, Karafarin Bank, Saman Bank, and Tejarat Bank. Khandan Exchange holds over USD 117 million in foreign currency on behalf of sanctioned Iranian banks. U.S. Department of the Treasury, Press Release, *Treasury Targets Key Supreme Leader Financier and Iran's Shadow Exchange Houses* (July 10, 2026), https://home.treasury.gov/news/press-releases/sb0558.

[26] U.S. Department of the Treasury, Press Release, *Treasury Targets Key Supreme Leader Financier and Iran's Shadow Exchange Houses* (July 10, 2026), https://home.treasury.gov/news/press-releases/sb0558.

[27] The Straits Times, "How the son of Iran's supreme leader built a global property empire" (Mar. 9, 2026), https://www.straitstimes.com/world/middle-east/how-the-son-of-irans-supreme-leader-built-a-global-property-empire.

B. ***The extent to which Banque Misr UAE is used for legitimate business purposes***

In making a finding that reasonable grounds exist for concluding that a financial institution operating outside of the United States is of primary money laundering concern so as to authorize the imposition of special measures, FinCEN may consider the extent to which the financial institution is "used for legitimate business purposes."[28]

Banque Misr UAE is a commercial bank offering a variety of financial services, including retail and wholesale banking services.[29] According to the CBUAE, Banque Misr UAE is one of 63 registered banks in the country.[30] Banque Misr UAE has approximately USD 6 billion in assets.[31] It has three direct U.S. correspondent relationships through which it accesses the U.S. financial system.

Although FinCEN does not have fulsome insight into the scope of Banque Misr UAE's legitimate activities, for purposes of this action, FinCEN assumes that a portion of Banque Misr UAE's business activities are legitimate. However, FinCEN has identified at least USD 1.8 billion in potential Iranian shadow banking activity through Banque Misr UAE, since 2024. FinCEN assesses that any legitimate activities do not outweigh the risks posed by Banque Misr UAE's facilitation of Iranian shadow banking, and the need to protect U.S. financial institutions from the money laundering risks presented by Banque Misr UAE.

---

[28] 31 U.S.C. 5318A(c)(2)(B)(ii).

[29] Banque Misr United Arab Emirates Branches, *Financial Statements for Year Ended 31 December 2025*, https://www.banquemisr.ae/repository/images/2026/05/Banque-Misr-UAE_FS-31-Dec-2025-1.pdf (last accessed Aug. 10, 2026).

[30] CBUAE, CB Register as of July 2026, https://www.centralbank.ae/en/licensing/#!#CBUAE%20Register(last accessed Aug. 11, 2026).

[31] According to Banque Misr's 2025 financial statement, the bank had UAE Dirham (AED) 23,397,322 in assets as of December 31, 2025. The current AED/USD exchange rate is 0.27, equaling an estimated asset size of around USD 6 billion. Banque Misr United Arab Emirates Branches, *Financial Statements for Year Ended 31 December 2025*, https://www.banquemisr.ae/repository/images/2026/05/Banque-Misr-UAE_FS-31-Dec-2025-1.pdf (last accessed Aug. 10, 2026).

C. *The extent to which the action proposed by FinCEN would guard against international money laundering and other financial crimes*

In making a finding that reasonable grounds exist for concluding that a financial institution operating outside of the United States is of primary money laundering concern, thereby authorizing the imposition of special measures, FinCEN may consider the extent to which such action is "sufficient to ensure" that the purpose of BSA "continue[s] to be fulfilled, and to guard against international money laundering and other financial crimes."[32] FinCEN anticipates that, by finding that Banque Misr UAE is a financial institution operating outside the United States of primary money laundering concern and imposing special measure five, as proposed here, U.S. financial institutions, their foreign correspondents, and their regulators, may act to mitigate the money laundering risks posed by transactions involving Banque Misr UAE, and, that imposing special measure five would sufficiently safeguard the U.S., and international, financial systems by restricting the ability of Banque Misr UAE to access the U.S. financial system.

VI. Proposed Special Measure

Having found that Banque Misr UAE is a financial institution operating outside of the United States that is of primary money laundering concern, FinCEN proposes imposing a prohibition on covered financial institutions under special measure five. Special measure five authorizes the Secretary to prohibit or impose conditions upon the opening or maintaining in the United States of a correspondent account or payable-through account, if such account "involves" a financial institution of primary money laundering concern.[33] Banque Misr UAE accesses USD through three direct correspondents account with U.S. financial institutions. Thus, FinCEN has

[32] 31 U.S.C. 5318A(c)(2)(B)(iii).
[33] 31 U.S.C. 5318A(b)(5).

determined that special measure five will most effectively mitigate the risks posed by Banque Misr UAE.

In proposing this special measure, FinCEN considered the factors set forth in section 311, as set forth below,[34] as well as the other special measures available under section 311. And, FinCEN consulted with representatives and staff of the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Secretary of State, the Securities and Exchange Commission, the Commodity Futures Trading Commission, the National Credit Union Administration, the Federal Deposit Insurance Corporation, and the Attorney General.[35] These consultations involved obtaining interagency views on the imposition of special measure five and the effects that such a prohibition would have on the U.S. domestic and international financial systems.

A. *Whether similar action has been or is being taken by other nations or multilateral groups regarding Banque Misr UAE*

FinCEN is not aware of any investigation by other nations regarding Banque Misr UAE and no actions have been taken thus far that would protect the U.S. financial system from the money laundering risks presented by Banque Misr UAE.

B. *Whether the imposition of any particular special measure would create a significant competitive disadvantage, including any undue cost or burden associated with compliance, for financial institutions organized or licensed in the United States*

While FinCEN assesses that the prohibition proposed in this NPRM would place some cost and burden on covered financial institutions, these burdens are neither undue nor inappropriate in view of the threat posed by the illicit activity facilitated by Banque Misr UAE.

[34] 31 U.S.C. 5318A(a)(4)(B)(i)-(iv).
[35] 31 U.S.C 5318A(b)(5).

Banque Misr UAE provides correspondent banking services to its customers directly through three correspondent relationships with U.S. financial institutions. These accounts may be used for foreign exchange and money market transactions. Covered financial institutions and transaction partners have ample opportunity to arrange for alternative payment mechanisms in the absence of correspondent banking relationships with Banque Misr UAE.

Thus, a prohibition on correspondent banking with Banque Misr UAE is expected to impose minimal additional compliance costs for covered financial institutions, which would most commonly involve adding Banque Misr UAE to preexisting sanctions screening and money laundering monitoring tools. FinCEN assesses that given the risks posed by Banque Misr UAE's facilitation of money laundering, the additional burden on covered financial institutions in preventing the opening of correspondent accounts with Banque Misr UAE, as well as conducting due diligence on foreign correspondent account holders and notifying them of the prohibition, will be minimal and not undue.

C. *The extent to which the action or the timing of the action would have a significant adverse systemic impact on the international payment, clearance, and settlement system, or on legitimate business activities of Banque Misr UAE*

FinCEN assesses that imposing the proposed special measure would have minimal impact upon the international payment, clearance, and settlement system. FinCEN assesses that prohibiting Banque Misr UAE's access to U.S. correspondent banking channels would not affect overall cross-border transaction volumes. Further, a prohibition under special measure five would not prevent Banque Misr UAE from conducting legitimate business activities in other foreign currencies, so long as a covered financial institution is not involved.

D. *The effect of the proposed action on United States national security and foreign policy*

As described above, evidence available to FinCEN demonstrates that Banque Misr UAE serves as a significant conduit for Iranian shadow banking. Imposing special measure five will: (1) close Banque Misr UAE's access to the U.S. financial system; (2) inhibit Banque Misr UAE's ability to act as an illicit finance facilitator; and (3) raise awareness of the methods used by illicit actors to circumvent sanctions and finance terrorism.

E. *Consideration of alternative special measures*

In assessing the appropriate special measure to impose, FinCEN considered alternatives to a prohibition on the opening or maintaining in the United States of correspondent accounts or payable-through accounts, including the imposition of one or more of the first four special measures or imposing conditions on the opening or maintaining of correspondent accounts under special measure five. Having considered these alternatives, FinCEN assesses that, for the reasons set out below, none of the other special measures available under section 311 or merely imposing conditions under special measures five would appropriately address the risks posed by Banque Misr UAE and the urgent need to prevent it from accessing the U.S. financial system through correspondent banking.

Banque Misr UAE not only presents a significant money laundering risk for Iranian shadow banking. Because of the nature and extent of illicit funds transiting Banque Misr UAE, any special measure intended to mandate additional information collection would likely be ineffective and insufficient to address the risks posed by Banque Misr UAE's continued access to the U.S. financial system. For example, FinCEN considered special measure two, which may require domestic financial institutions to "obtain and retain information concerning the beneficial ownership of any account opened or maintained in the United States by a foreign person."[36] However, FinCEN determined that this special measure would likely be ineffective since the concerns involving Banque Misr UAE do not involve the opening or maintaining of accounts in the United States by foreign persons. Likewise, FinCEN considered imposing additional reporting obligations under special measures one, three, and four, and determined that such obligations would not be effective. For instance, the provision under special measure one—that "the identity and address of the participants in a transaction or relationship, including the identity of the originator of any funds transfer" be collected in records and reports—could be circumvented by the operations of Iranian front companies, wherein the reported identity of the originator serves to obscure the true beneficial owner or originator.[37] Moreover, the requirements under special measures three and four that domestic financial institutions obtain "with respect to each customer (and each such representative), information that is substantially comparable to that which the depository institution obtains in the ordinary course of business with respect to its customers residing in the United States," are also likely to be ineffective for the same reasons.[38] Indeed, in respect of all such special measures, FinCEN is already generally aware of the money laundering threats posed by Banque Misr UAE's customer base, which prompted this action, and merely requiring U.S. institutions to collect additional information would impose a disproportionate compliance burden, with no guarantee that the risks presented by Banque Misr UAE would be addressed.

FinCEN similarly assesses that merely imposing conditions under special measure five would be inadequate to address the risks posed by Banque Misr UAE 's activities. Special

[36] 31 U.S.C. 5318A(b)(2).
[37] 31 U.S.C. 5318A(b)(1)(B)(i).
[38] 31 U.S.C 5318A(b)(3)(B); (b)(4)(B).

measure five enables FinCEN to impose conditions as an alternative to a prohibition on the opening or maintaining of correspondent accounts.[39] Given Banque Misr UAE ’s facilitation of money laundering, FinCEN determined that imposing any condition would not be an effective measure to safeguard the U.S. financial system. FinCEN assesses that the estimated USD 1.8 billion worth of potential Iranian shadow banking funds laundered through Banque Misr UAE outweighs the value in providing conditioned access to the U.S. financial system for any purportedly legitimate business activity. Conditions on the opening or maintaining of correspondent accounts would likely be inefficient or, given Banque Misr UAE’s inadequate AML/CFT controls, insufficient to prevent illicit financial flows through the U.S. financial system.

In sum, FinCEN assesses that any condition or additional recordkeeping or reporting requirement would be an ineffective or inefficient way to safeguard the U.S. financial system from the illicit behavior facilitated by Banque Misr UAE. Such measures would not prevent Banque Misr UAE from accessing the correspondent accounts of U.S. financial institutions, thus leaving the U.S. financial system vulnerable to processing illicit transfers, resulting in significant national security and money laundering risk. In addition, no recordkeeping and/or reporting requirements or conditions would be sufficient to guard against the risks posed by a financial institution that processes transactions designed to obscure the transactions’ true nature and are ultimately for the benefit of illicit actors. Therefore, FinCEN has determined that a prohibition on opening or maintaining correspondent banking relationships is the only special measure available under section 311 that can adequately protect the U.S. financial system from the illicit finance risk posed by Banque Misr UAE. For these reasons, and after thorough consideration of

[39] 31 U.S.C. 5318A(b)(5).

alternate measures, FinCEN assesses that no measures short of full prohibition on correspondent or payable-through banking access would be sufficient to address the money laundering risks posed by Banque Misr UAE.

VII. Section-by-Section Analysis

The goal of this proposed rule is to combat and deter illicit activity, including illicit activity involving Iranian-affiliated money laundering through Banque Misr UAE, and to prevent Banque Misr UAE from using the U.S. financial system to enable illicit financial activity.

A. *1010.667(a)—Definitions*

1. *Definition of Banque Misr UAE*

The term "Banque Misr UAE" means all subsidiaries, branches, and offices of Banque Misr in the UAE operating as a financial institution outside of the United States. This includes the two branches in Dubai (located in Deira and Business Bay), one in Abu Dhabi, one in Sharjah, and one in Ras Al Khaimah. Egypt-based Banque Misr, and its branches and operations in countries other than the UAE are expressly excluded from the definition of "Banque Misr UAE" for the purposes of this NPRM.

2. *Definition of Correspondent Account*

The term "correspondent account" is defined by reference to the definition contained in 31 CFR 1010.605(c)(1)(ii). In the case of a U.S. depository institution, this definition includes most types of banking relationships between a U.S. depository institution and a foreign bank that are established to provide regular services, dealings, and other financial transactions, including a demand deposit, savings deposit, or other transaction or asset account, and a credit account or other extension of credit. FinCEN is using the same definition of "account" for purposes of this proposed rule as is established for depository institutions in the final rule implementing the provisions of section 312 of the USA PATRIOT Act, requiring enhanced due diligence for correspondent accounts maintained for certain foreign banks.[40] Under this definition, "payable-through accounts" are a type of correspondent account.

In the case of securities broker-dealers, futures commission merchants, introducing brokers in commodities, and investment companies that are open-end companies (mutual funds), FinCEN is also using the same definition of "account" for purposes of this proposed rule as was established for these entities in the final rule implementing the provisions of section 312 of the USA PATRIOT Act, requiring due diligence for correspondent accounts maintained for certain foreign banks.[41]

3. *Definition of Covered Financial Institution*

The term "covered financial institution" is defined by reference to 31 CFR 1010.605(e)(1), the same definition used in the BSA rule (31 CFR 1010.610) requiring the establishment of due diligence programs for correspondent accounts for foreign financial institutions. In general, this definition includes the following:

- a bank;
- a broker or dealer in securities;
- a futures commission merchant or an introducing broker in commodities; and
- a mutual fund.

4. *Definition of Financial Institution Operating Outside of the United States*

Pursuant to 31 U.S.C. 5318A(e)(4), the term "financial institution operating outside of the United States" means any business or agency operating, in whole or in part, outside of the United States that engages in any activity which is similar to, related to, or a substitute for any activity in which any financial institution, as defined in 31 U.S.C. 5312(a)(2), engages.

---

[40] *See* 31 CFR 1010.605(c)(2)(i).
[41] See 31 CFR 1010.605(c)(2)(ii)-(iv).

FinCEN is including this definition as the proposed definition of "Banque Misr UAE" incorporates this phrase. As discussed above, 31 U.S.C. 5312 permits FinCEN, by regulation, to define as a "financial institution" any business or activity that engages in any activity that FinCEN determines is an activity similar to, related to, or a substitute for any activity in which any business defined as a "financial institution" in 31 U.S.C. 5312 is authorized to engage.

5. *Definition of Foreign Banking Institution*

The term "foreign banking institution" means a bank organized under foreign law, or an agency, branch, or office located outside the United States of a bank. The term does not include an agent, agency, branch, or office within the United States of a bank organized under foreign law.

6. *Definition of Subsidiary*

The term "subsidiary" means a company of which more than 50 percent of the voting stock or an otherwise controlling interest is owned by another company.

B. ***1010.667(b)—Prohibition on Accounts and Due Diligence Requirements for Covered Financial Institutions***

1. *Prohibition on Opening or Maintaining Correspondent Accounts*

Proposed section 1010.667(b)(1) prohibits covered financial institutions from opening or maintaining in the United States a correspondent account for, or on behalf of, Banque Misr UAE.

2. *Prohibition on Use of Correspondent Accounts Involving Banque Misr UAE*

Proposed section 1010.667(b)(2) requires covered financial institutions to take reasonable steps not to process a transaction for the correspondent account of a foreign banking institution in the United States if such a transaction involves Banque Misr UAE. Such reasonable steps are described in 1010.667(b)(3), which sets forth the special due diligence requirements a covered financial institution would be required to take when it knows or has reason to believe that a transaction involves Banque Misr UAE.

3. *Special Due Diligence for Correspondent Accounts*

As a corollary to the prohibition set forth in proposed section 1010.667(b)(1) and (2), proposed section 1010.667(b)(3) requires covered financial institutions to apply special due diligence to all of their foreign correspondent accounts that is reasonably designed to guard against such accounts being used to process transactions involving Banque Misr UAE. As part of that special due diligence, covered financial institutions would be required to notify those foreign correspondent account holders that the covered financial institutions know or have reason to believe provide services to Banque Misr UAE, that such correspondents may not provide Banque Misr UAE with access to the correspondent account maintained at the covered financial institution. A covered financial institution may satisfy this notification requirement using the following notice:

> Notice: Pursuant to U.S. regulations issued under Section 311 of the USA PATRIOT Act, see 31 CFR 1010.667, we are prohibited from opening or maintaining in the United States a correspondent account for, or on behalf of, Banque Misr UAE. The regulations also require us to notify you that you may not provide Banque Misr UAE, including any of its subsidiaries, branches, and offices access to the correspondent account you hold at our financial institution. If we become aware that the correspondent account you hold at our financial institution has processed any transactions involving Banque Misr UAE, including any of its subsidiaries, branches, and offices, we will be required to take appropriate steps to prevent such access, including terminating your account.

The purpose of the notice requirement is to aid cooperation with correspondent account holders in preventing transactions involving Banque Misr UAE from accessing the U.S. financial system. FinCEN does not require or expect a covered financial institution to obtain a certification from any of its correspondent account holders that access will not be provided to comply with this notice requirement.

Methods of compliance with the notice requirement could include, for example, transmitting a notice by mail, fax, or e-mail. The notice should be transmitted whenever a covered financial institution knows or has reason to believe that a foreign correspondent account holder provides services to Banque Misr UAE.

Special due diligence also includes implementing risk-based procedures designed to identify any use of correspondent accounts to process transactions involving Banque Misr UAE. A covered financial institution would be expected to apply an appropriate screening mechanism to identify a funds transfer order that on its face listed Banque Misr UAE as the financial institution of the originator or beneficiary, or otherwise referenced Banque Misr UAE in a manner detectable under the financial institution's normal screening mechanisms. An appropriate screening mechanism could be the mechanisms used by a covered financial institution to comply with various legal requirements, such as commercially available software programs used to comply with the economic sanctions programs administered by the OFAC.

4. *Recordkeeping and Reporting*

Proposed section 1010.667(b)(4) clarifies that the proposed rule does not impose any reporting requirement upon any covered financial institution that is not otherwise required by applicable law or regulation. A covered financial institution must, however, document its compliance with the notification requirement described above in section 1010.667(b)(3).

VIII. Request for Comments

FinCEN is requesting comments for 30 days after the publication of this NPRM. Given Banque Misr UAE 's consistent and longstanding ties to facilitating transactions for illicit actors, FinCEN assesses that a 30-day comment period for this NPRM strikes an appropriate balance between ensuring sufficient time for notice to the public and opportunity for comment on the proposed rule, while minimizing undue national security risk posed to the U.S. financial system in processing illicit transfers. FinCEN invites comments on all aspects of the proposed rule, including the following specific matters:

1. FinCEN's proposal of a prohibition special measure five under 31 U.S.C. 5318A(b), as opposed to imposing special measures one through four or imposing conditions under the special measure five;
2. The form and scope of the notice to certain correspondent account holders that would be required under the rule; and
3. The appropriate scope of the due diligence requirements in this proposed rule.

IX. Executive Order 14294

Section *5* of Executive Order 14294 directs that all future notices of proposed rulemaking (NPRMs) and final rules published in the *Federal Register*, the violation of which may constitute criminal regulatory offenses, should include a statement identifying that the rule or proposed rule is a criminal regulatory offense and the authorizing statute.[42] Executive Order 14294 directs agencies to draft this statement in consultation with the Department of Justice.

Executive Order 14294 further directs that the regulatory text of all NPRMs and final rules with criminal consequences published in the *Federal Register* after May 9, 2025, should explicitly state a mens rea requirement for each element of a criminal regulatory offense, accompanied by citations to the relevant provisions of the authorizing statute.

Willful violations of the proposed regulations set forth in this proposed rule may be subject to criminal penalties pursuant to 31 U.S.C. 5322 and regulations promulgated in 31 CFR Chapter X. The statutory authority for criminal liability requires a mens rea of willfulness as an element pursuant to 31 U.S.C. 5322(a) and 31 U.S.C. 5322(b). FinCEN's existing regulation, 31 CFR 1010.840, that sets out criminal penalties for violations of regulations promulgated in 31

[42] Executive Order 14294, "Fighting Overcriminalization in Federal Regulations" 90 FR 20367 (issued May 9, 2025; published May 14, 2025), https://www.federalregister.gov/executive-order/14294.

CFR Chapter X also includes a mens rea of willfulness. In drafting this statement, FinCEN has consulted with the Department of Justice.

X. Regulatory Impact Analysis

FinCEN has analyzed this proposed rule under Executive Order 12866,[43] Executive Order 13563,[44] the Regulatory Flexibility Act (RFA),[45] the Unfunded Mandates Reform Act (UMRA),[46] and the Paperwork Reduction Act (PRA).[47] As discussed above,[48] the intended effects of the imposition of special measure five with respect to Banque Misr UAE are twofold. The rule is expected to: (1) combat and deter money laundering in facilitation of Iranian illicit financing associated with Banque Misr UAE; and (2) prevent Banque Misr UAE from using the U.S. financial system to enable illicit financial activity. In the analysis below, FinCEN discusses the economic effects that are expected to accompany adoption of the rule as proposed and assesses such expectations in more granular detail. This discussion includes an explanation of how the assumptions in FinCEN's cost model and methodological choices have influenced FinCEN's conclusions. The public is invited to comment on all aspects of FinCEN's practice.[49]

A. *Executive Orders*

Executive Orders 12866 and 13563 direct agencies to assess costs and benefits of available regulatory alternatives and, if regulation is necessary, to select regulatory approaches that maximize net benefits (including potential economic, environmental, public health and safety effects; distributive impacts; and equity). Executive Order 13563 emphasizes the

[43] Executive Order 12866, *Regulatory Planning and Review,* 58 FR 51735 (issued Sept. 30,1993; published Oct. 4, 1993).
[44] Executive Order 13563, *Improving Regulation and Regulatory Review,* 76 FR 3821 (issued Jan. 18, 2011; published Jan. 21, 2011).
[45] 5 U.S.C. 601 *et seq*.
[46] 2 U.S.C. 1532.
[47] 44 U.S.C. 3507(a)(1)(D).
[48] *See supra* Section VII.
[49] *See* Section VII; *see also* Section X.D.

importance of quantifying both costs and benefits, reducing costs, harmonizing rules, and promoting flexibility.

It has been determined that this proposed rule is not a significant regulatory action under section 3(f) of Executive Order 12866. Accordingly, a regulatory impact analysis is not required.

B. ***Regulatory Flexibility Act***

When an agency issues a rulemaking proposal, the RFA requires the agency to "prepare and make available for public comment an initial regulatory flexibility analysis" that will "describe the impact of the proposed rule on small entities."[50] However, section 605 of the RFA allows an agency to certify a rule, in lieu of preparing an analysis, if the proposed rulemaking is not expected to have a significant economic impact on a substantial number of small entities.

The population of affected covered financial institutions under the proposed rule is limited to those financial institutions that maintain foreign correspondent accounts. FinCEN is not in possession of any data, studies, or qualitative evidence that any such covered financial institution meets the applicable definitional criteria to be deemed a "small entity" under the RFA. Moreover, FinCEN assesses that if any covered financial institution were a small entity, the changes in activity necessary to comply with the proposed rule would be unlikely to have a significant economic impact on such entity.

Under the proposed special measure, covered financial institutions would be prohibited from opening or maintaining correspondent accounts for, or on behalf of, Banque Misr UAE. As discussed above in Section V.B, FinCEN has identified three such accounts. The imposition of the proposed special measure would therefore be more likely to prevent future correspondent

[50] 5 U.S.C. 603(a).

accounts from being opened with small entities than require activity be undertaken with respect to currently maintained accounts. Given the relatively small size of Banque Misr UAE as a financial institution operating outside of the United States and the current absence of account opening activity, the economic impact on small entities of continuing to forgo account opening is expected to be minimal.

Covered financial institutions would also be required to take reasonable measures to detect and prevent use of their correspondent accounts to process transactions involving Banque Misr UAE. Neither set of newly required activities proposed is expected to introduce significant incremental burdens relative to covered financial institutions' current obligations and ongoing diligence activities. For example, all U.S. persons, including U.S. financial institutions, must comply with OFAC sanctions, and covered U.S. financial institutions generally have suspicious activity reporting requirements and systems in place to screen transactions to comply with OFAC sanctions and section 311 special measures administered by FinCEN. The systems that U.S. financial institutions have in place to comply with these requirements can easily be modified to adapt to this proposed rule. Thus, the special due diligence that would be required under the proposed rule—*i.e.,* preventing the processing of transactions involving Banque Misr UAE and the transmittal of notification to certain correspondent account holders—is not expected to require a significant change in due diligence activities for small U.S. financial institutions. For these reasons, FinCEN certifies that the proposals contained in this rulemaking are not expected to have a significant impact on a substantial number of small businesses.

FinCEN invites comments from members of the public who believe there would be a significant economic impact on small entities from the imposition of a prohibition under special measure five regarding Banque Misr UAE.

C. *Unfunded Mandates Reform Act*

Section 202 of the UMRA[51] requires that an agency prepare a budgetary impact statement before promulgating a rule that may result in expenditure by the state, local, and tribal governments, in the aggregate, or by the private sector, of USD 193 million or more in any one year (USD 100 million in 1995, adjusted for inflation).[52, 53] If a budgetary impact statement is required, section 202 of the UMRA also requires an agency to identify and consider a reasonable number of regulatory alternatives before promulgating a rule.

FinCEN has determined that this proposed rule would not result in expenditures by state, local, and tribal governments in the aggregate, or by the private sector, of USD 193 million or more in any one year. Accordingly, FinCEN has not prepared a budgetary impact statement or considered the regulatory alternatives outlined in Section V.E above within the framework of the UMRA.

D. *Paperwork Reduction Act*

The recordkeeping and disclosure requirements contained in this proposed rule that qualify as "collections of information" under the PRA will be submitted to the Office of Management and Budget (OMB) for review in accordance with the PRA.[54] Under the PRA, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of

---

[51] 2 U.S.C. 1532, Public Law 104–4 (Mar. 22, 1995).

[52] *Id.*

[53] The U.S. Bureau of Economic Analysis reports the annual value of the gross domestic product implicit price deflator for calendar year 1995 (the year UMRA was enacted), as 66.939, and as 128.974 for the calendar year 2025 (the most recent available). Thus, the inflation-adjusted estimate for USD 100 million is 128.974 ÷ 66.939 × USD 100 million, or USD192.7 million. U.S. Bureau of Economic Analysis, *Table 1.1.9. Implicit Price Deflators for Gross Domestic Product,* BEA Interactive Data Application.

[54] *See* 44 U.S.C. 3507(a)(1)(D). The PRA defines a "collection of information" as "the obtaining, causing to be obtained, soliciting, or requiring the disclosure to third parties or the public, of facts or opinions by or for an agency, regardless of form or format, calling for either (i) answers to identical questions posed to, or identical reporting or recordkeeping requirements imposed on, ten or more persons, other than agencies, instrumentalities, or employees of the United States; or (ii) answers to questions posed to agencies, instrumentalities, or employees of the United States which are to be used for general statistical purposes[.]" *See* 44 U.S.C. 3502(3).

information unless it displays a valid control number assigned by the OMB.[55] Written comments and recommendations for the proposed prohibition can be submitted by visiting www.reginfo.gov/public/do/PRAMain. Find this particular document by selecting "Currently under Review—Open for Public Comments" or by using the search function. Comments are welcome and must be received by [**INSERT DATE 30 DAYS AFTER DATE OF PUBLICATION IN THE *FEDERAL REGISTER***]. In accordance with requirements of the PRA, 44 U.S.C. 3506(c)(2)(A), and its implementing regulations, 5 CFR part 1320, the following information concerning the collection of information as required by 31 CFR 1010.667 is presented to assist those persons wishing to comment on the information collections.

The provisions in this proposed rule pertaining to the collection of information can be found in sections 1010.667(b)(3)(i)(A) and 1010.667(b)(4). The notification requirement in section 1010.667(b)(3)(i)(A) is intended to aid cooperation from foreign correspondent account holders in preventing transactions involving Banque Misr UAE from being processed by the U.S. financial system. The information required to be maintained by section 1010.667(b)(4) would be used by federal agencies and certain self-regulatory organizations to verify compliance by covered financial institutions with the notification requirement in section 1010.667(b)(3)(i)(A). The collection of information would be mandatory.

Frequency: As required.

Description of Affected Financial Institutions: Only those covered financial institutions defined in section 1010.667(a)(3) that are engaged in correspondent banking with, or processing transactions potentially involving, Banque Misr UAE as defined in section 1010.667(b)(1) and (2) are expected to incur incremental economic effects.

[55] 44 U.S.C. 3507(a)(3).

Estimated Number of Potential Respondents: Approximately 14,554.

Table 1. Estimates of Covered Financial Institutions by Type

Financial Institution Type	Number of Entities
Banks with a federal functional regulator (FFR)[a]	8,623[b]
Banks without an FFR[c]	365[d]
Broker-dealers in securities (broker-dealers)[e]	3,277[f]
Futures commission merchants (FCMs) and Introducing brokers in commodities (IBCs)[g]	954[h]
Mutual funds[i]	1,335[j]

[a] *See* 31 CFR 1010.100(t)(1); *see also* 31 CFR 1010.100(d) and 31 CFR 1020.210(a).

[b] This includes 4,336 Federal Deposit Insurance Corporation- (FDIC-) insured depository institutions (*i.e.*, federally regulated banks) according to the FDIC's *Quarterly Bank Profile* for Q4 2025, p. 2 (https://www.fdic.gov/quarterly-banking-profile/past-quarterly-banking-profiles). It also includes 4,287 National Credit Union Administration-chartered credit unions (*i.e.*, federally regulated credit unions) as of December 31, 2025, according to the National Credit Union Administration's *Quarterly Credit Union Data Summary: 2025 Q4*, p. i (https://ncua.gov/analysis/credit-union-corporate-call-report-data/quarterly-data-summary-reports).

[c] 31 CFR 1020.210(b).

[d] The Board of Governors of the Federal Reserve System Master Account and Services Database (https://www.federalreserve.gov/paymentsystems/master-account-and-services-database-existing-access.htm) contains data as of November 30, 2025, on financial institutions that use Federal Reserve Bank financial services, including those with no additional Federal regulator. FinCEN used this data to identify 365 banks and credit unions with no additional Federal regulator using Federal Reserve Bank financial services.

[e] 31 CFR 1010.100(t)(2).

[f] This estimate is based on U.S. Securities and Exchange Commission (SEC) data on active broker-dealers available at "Company Information About Active Broker-Dealers" (https://www.sec.gov/foia-services/frequently-requested-documents/company-information-about-active-broker-dealers), which listed 3,277 active broker-dealers registered with the SEC as of December 31, 2025.

[g] 31 CFR 1010.100(t)(8) and (9).

[h] According to the Commodity Futures Trading Commission data on FCMs available at "Financial Data for FCMs" (https://www.cftc.gov/MarketReports/financialfcmdata/index.htm), there were 66 FCMs as of December 31, 2025. The number of IBCs as of December 31, 2025 (888) was obtained from the National Futures Association, "NFA Membership Totals" website (https://www.nfa.futures.org/registration-membership/membership-and-directories.html). Because deduplication of entities registered as both FCMs and IBCs was not feasible, this estimate may double-count some entities registered in both categories. FinCEN, however, believes this subpopulation may be small.

[i] *See* 31 CFR 1010.100(t)(10); *see also* 31 CFR 1010.100(gg).

[j] This estimate is based on the number of registered investment companies filing Form N-1A in SEC's *Annual Registered Investment Company Update: Form N-CEN Data, Period Ending December* 2025, May 2026, table 1.3, p.4 (https://www.sec.gov/files/annual-registered-investment-company-update-20260512.pdf).

Estimated Number of Expected Respondents: Approximately 128.[56]

FinCEN's estimate of expected respondents is based on its observation of total populations demonstrating capacity or maintenance of correspondent accounts as defined by the proposed rule. As noted above, the observed number of covered financial institutions that maintain direct correspondent accounts included in those proposed to be affected by this NPRM is considerably lower (three, or approximately two percent of projected expected affected respondents). As such, the PRA burden estimates presented in the following analysis are likely to be conservative and may overstate the burden that would be incurred in practice.

[56] While this regulation would apply to all covered institutions described in Table 1, in practice the burden would only be imposed on select institutions that maintain correspondent accounts for foreign banks. Table 2 presents an estimate of this subpopulation of banks, broker-dealers, FCMs and IBCs, and mutual funds based on data from the most recent calendar year end.

Table 2. Estimates of Affected Financial Institutions by Type

Financial Institution Type	Number of Entities
Banks with an FFR	66[a]
Banks without an FFR	12[b]
Broker-dealers	29[c]
FCMs and IBCs	9[d]
Mutual funds	12[e]

[a] Data are from the Federal Financial Institution Examination Council Central Data Repository for Reports of Condition and Income (Call Reports) and Uniform Bank Performance Reports, available for most FDIC-insured institutions. Using this source of data, FinCEN determines that as of Q4 2025, approximately 66 banks (as defined by FinCEN regulations, *see* 31 CFR 1010.100(d)) would be affected by this proposed rule in any given year. Specifically, as of Q4 2025, there were approximately 66 banks that reported non-zero values for deposit liabilities of banks in foreign countries. Deposit liabilities in a foreign country is an indication that a bank maintains correspondent accounts with a foreign financial institution.

[b] The Board of Governors of the Federal Reserve System Master Account and Services Database contains data on financial institutions that use Federal Reserve Bank financial services, including those with no additional Federal regulator. FinCEN used this data to identify an additional 12 international banking entities with no additional Federal regulator and that do not file Call Reports, but that are also likely to maintain correspondent accounts with a foreign financial institution.

[c] Broker-dealers, unless they are publicly traded, are not required to make reports indicating whether they have foreign correspondent accounts or hold foreign deposits. FinCEN reviewed financial statement data from 10-Q and 6-K filings with the SEC and identified nine publicly traded broker-dealers with U.S. operations that reported foreign deposits. FinCEN also examined Suspicious Activity Reports filed by broker-dealers in 2024 to identify another two non-publicly traded broker-dealers who appeared likely to be maintaining foreign deposits. However, because many broker-dealers are not publicly traded—so there may be less information about their business publicly available—and because many did not file Suspicious Activity Reports, FinCEN conservatively estimates that the proportion of broker-dealers with foreign correspondent accounts is similar to the proportion for banks (approximately 0.9 percent). 0.9 percent of 3,277 active broker-dealers is approximately 29 broker-dealers assumed to have foreign correspondent accounts.

[d] FCMs, IBCs, and mutual funds generally use intermediary U.S. banks to move and maintain client deposits and funds for investment. Therefore, it is unlikely that many of these institutions maintain direct correspondent accounts with foreign financial institutions outside of their existing upstream banking relationships. However, because these institutions may in some cases receive deposits from, make payments or other disbursements, or otherwise transact directly with foreign financial institutions, FinCEN conservatively estimates that the proportion of FCMs, IBCs, and mutual funds with foreign correspondent accounts is similar to the proportion for banks (approximately 0.9 percent). 0.9 percent of 954 active FCMs and IBCs is approximately nine FCMs and IBCs assumed to have foreign correspondent accounts.

[e] 0.9 percent of 1,335 active mutual funds is approximately 12 mutual funds assumed to have foreign correspondent accounts.

Estimated Average Annual Burden in Hours per Affected Financial Institution:

Imposing special measure five as described in this proposed rule is expected to result in a new, incremental recordkeeping and disclosure burden on certain covered financial institutions as described above. Each anticipated component of this is outlined below.

Each affected covered financial institution is expected to incur recordkeeping and disclosure burdens associated with preparing and retaining the materials necessary to demonstrate compliance with the proposed requirements. This is expected to include records related to:

A. Documenting the reasonable steps the financial institution undertakes to ensure no transactions involving Banque Misr UAE are processed for a foreign correspondent account, including:
    1. Any investigative activities undertaken when the financial institution knows or has reason to believe that a foreign bank's correspondent account has been or is being used to process transactions involving Banque Misr UAE.
    2. Any subsequent activities undertaken to prevent such access, including, where necessary, termination of the correspondent account.
B. Notifying, and documenting that the financial institution has provided notice to, foreign correspondent account holders that the financial institution knows or has reason to believe provide services to Banque Misr UAE, informing such correspondents that they may not provide Banque Misr UAE with access to the correspondent account maintained at the financial institution.
C. Documenting the reasonable steps it took with respect to special due diligence requirements, including but not limited to, the reasoning that informed decisions to adopt (or not adopt) new measures adding to its existing risk-based approach, and those new measures, if adopted.

The estimated average annual burden associated with the collection of information in this proposed rule is, in total, one business day, or eight hours per affected financial institution.

Estimated Total Annual Burden in Year One: Approximately 1,024 hours.[57]

Estimated Total Annual Cost in Year One: Approximately USD 130,079.[58]

In subsequent years, FinCEN estimates that the average annual burden associated with the collection of information would be significantly reduced.[59] FinCEN expects that the ongoing burden of compliance with FinCEN special measures would primarily accrue in connection with the opening of new foreign correspondent accounts, at which point a covered financial institution would need to ensure that new account holders receive information on entities subject to special measures and agree not to conduct transactions on their behalf. FinCEN has previously estimated that financial institutions that maintain foreign correspondent accounts will open an average of ten new accounts per year.[60] FinCEN expects the time burden of special measure compliance associated with these new accounts would not exceed 15 minutes (0.25 hours) per affected financial institution.

---

[57] 128 expected respondents multiplied by eight hours per respondent equals 1,024 total annual burden hours.

[58] The wage rate applied here is a general composite hourly wage (USD 89.24), scaled by a private-sector benefits factor of 1.42 (USD 127.03 = USD 89.24 × 1.42). This incorporates Bureau of Labor Statistics (BLS) mean wage data associated with the six occupational codes (11-1010: Chief Executives; 11-3021: Computer and Information Systems Managers; 11-3031: Financial Managers; 13-1041: Compliance Officers; 23-1010: Lawyers and Judicial Law Clerks; 43-3099: Financial Clerks, All Other) for each of the nine groupings of North American Industry Classification System industry codes that FinCEN determined are most directly comparable to its 11 categories of potentially affected financial institutions as delineated in 31 CFR parts 1020 to 1030. *See* BLS, *May 2025 - National industry-specific and by ownership*, https://www.bls.gov/oes/tables.htm. Given that many occupations provide benefits beyond wages (*e.g.*, insurance and paid leave), FinCEN applies the private sector benefit factor to the unloaded wage rate to reflect the total cost to the employer. The benefit factor is the ratio of total compensation (which includes wages and benefits) to wages. Total compensation = USD 45.65 and Wages and salaries = USD 32.07 (1.42 = USD 45.65 ÷ USD 32.07) as of June 2025, based on the private industry workers series data downloaded from BLS, Employer Costs for Employee Compensation data, https://www.bls.gov/news.release/archives/ecec_09122025.pdf. 1,024 total annual burden hours multiplied by USD 127.03 per hour equals a total annual cost of USD 130,079.

[59] *See* discussion of how compliance with the proposed rule is expected to be integrated into covered financial institutions' broader OFAC sanctions and 311 special measures compliance activities at Section IX.B.

[60] *See* FinCEN, *Renewal Without Change of Prohibition on Correspondent Accounts for Foreign Shell Banks; Records Concerning Owners of Foreign Banks and Agents for Service of Legal Process*, 90 FR 21987, 21994 (May 22, 2025), https://www.federalregister.gov/d/2025-09162/p-134.

Table 3 presents a summary of FinCEN's PRA burden estimates as expected to accrue during the first three years in which the rule is effective and provides a basis for the expected average annual costs as estimated over the same time horizon.

Table 3. PRA Three-Year Pro Forma Burden Estimates

Year	Number of Respondents	Hours per Respondent	Total Burden Hours
1	128	8.00	1,024.00
2	128	0.25	32.00
3	128	0.25	32.00
Average	**128**	**2.83**	**362.67**

Estimated Three-Year Average Aggregate Annual Burden: Approximately 363 hours on average, per year.[61]

Estimated Three-Year Average Aggregate Annual Cost: Approximately USD 46,111.89.[62]

General Request for Comments: Comments are invited on: (1) whether the proposed collection of information found in section 1010.667(b)(4) is necessary for the proper performance of the mission of FinCEN, including whether the information would have practical utility; (2) the accuracy of FinCEN's estimate of the burden of the proposed collection of information; (3) ways to enhance the quality, utility, and clarity of the information required to be maintained; (4) ways to minimize the burden of the required collection of information, including through the use of automated collection techniques or other forms of information technology; and (5) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to report the information.

[61] This estimate is the average of 1,024 expected burden hours in year one of implementation and 32 hours in years two and three, respectively, rounded to the nearest whole hour.
[62] An average annual burden over years one through three of 363 hours multiplied by USD 127.03 per hour equals an average annual cost of USD 46,111.89.

XI. Regulatory Text

List of Subjects in 31 CFR Part 1010

Administrative practice and procedure, Banks, Banking, Brokers, Crime, Foreign banking, Terrorism.

Authority and Issuance

For the reasons set forth in the preamble, FinCEN proposes amending 31 CFR part 1010 as follows:

Part 1010-GENERAL PROVISIONS

1. The authority citation for part 1010 continues to read as follows:

   "Authority: 12 U.S.C. 1829b and 1951-1959; 31 U.S.C. 5311-5314, 5316-5336; title III, sec. 314, Pub. L. 107-56, 115 Stat. 307; sec. 2006, Pub. L. 114-41, 129 Stat. 458-459; sec. 701 Pub. L. 114-74, 129 Stat. 599; sec. 6403, Pub. L. 116-283, 134 Stat. 3388."

2. Add 1010.667 to read as follows:

1010.667 Special measures regarding Banque Misr UAE

(a) *Definitions*. For purposes of this section, the following terms have the following meanings.

(1) *Banque Misr UAE.* The term "Banque Misr UAE" means all five branches of Banque Misr located in the United Arab Emirates as well as any other offices, branches, affiliates, or subsidiaries of Banque Misr located in the United Arab Emirates. Egypt-based Banque Misr, and its offices, branches, affiliates, and operations in countries other than the United Arab Emirates are expressly excluded from the definition of "Banque Misr UAE".

(2) *Correspondent account*. The term "correspondent account" has the same meaning as provided in 1010.605(c)(l)(ii).

(3) *Covered financial institution*. The term "covered financial institution" has the same meaning as provided in 1010.605(e)(1).

(4) *Financial institution operating outside of the United States.* The term "financial institution operating outside of the United States" means any business or agency operating, in whole or in part, outside of the United States that engages in any activity which is similar to, related to, or a substitute for any activity in which any financial institution, as defined in 31 U.S.C. 5312(a)(2), engages.

(5) *Foreign banking institution*. The term "foreign banking institution" means a bank organized under foreign law, or an agency, branch, or office located outside the United States of a bank. The term does not include an agent, agency, branch, or office within the United States of a bank organized under foreign law.

(6) *Subsidiary*. The term "subsidiary" means a company of which more than 50 percent of the voting stock or an otherwise controlling interest is owned by another company.

(b) *Prohibition on accounts and due diligence requirements for covered financial institutions*.

(1) *Prohibition on opening or maintaining correspondent accounts for Banque Misr UAE.* A covered financial institution shall not open or maintain in the United States a correspondent account for, or on behalf of, Banque Misr UAE.

(2) *Prohibition on processing transactions involving Banque Misr UAE.* A covered financial institution shall take reasonable steps not to process a transaction for the correspondent account in the United States of a foreign banking institution if such a transaction involves Banque Misr UAE.

(3) *Special due diligence of correspondent accounts to prohibit transactions*.

(i) A covered financial institution shall apply special due diligence to its foreign correspondent accounts that is reasonably designed to guard against their use to process transactions involving Banque Misr UAE. At a minimum, that special due diligence must include:

(A) Notifying those foreign correspondent account holders that the covered financial institution knows or has reason to believe provide services to Banque Misr UAE that such correspondents may not provide Banque Misr UAE with access to the correspondent account maintained at the covered financial institution; and

(B) Taking reasonable steps to identify any use of its foreign correspondent accounts by Banque Misr UAE, to the extent that such use can be determined from transactional records maintained in the covered financial institution's normal course of business.

(ii) A covered financial institution shall take a risk-based approach when deciding what, if any, other due diligence measures it reasonably must adopt to guard against the use of its foreign correspondent accounts to process transactions involving Banque Misr UAE.

(iii) A covered financial institution that knows or has reason to believe that a foreign bank's correspondent account has been or is being used to process transactions involving Banque Misr UAE shall take all appropriate steps to further investigate and prevent such access, including the notification of its correspondent account holder under paragraph (b)(3)(i)(A) of this section and, where necessary, termination of the correspondent account.

(4) *Recordkeeping and reporting.*

(i) A covered financial institution is required to document its compliance with the notification requirement set forth in this section.

(ii) Nothing in paragraph (b) of this section shall require a covered financial institution to report any information not otherwise required to be reported by law or regulation.

Dated: August 28, 2026

Jimmy Kirby
Deputy Director,
Financial Crimes Enforcement Network.