AMERICANS FOR FREE MARKETS, DAVID IBSEN

Proposal and Comment Information

Title: Anti-Money Laundering and Countering the Financing of Terrorism Programs, R-1835

Comment ID: FR-0000-0133-02-C15

Submitter Information

Organization Name: Americans for Free Markets

Organization Type: Organization

Name: David Ibsen

Submitted Date: 07/31/2026

Benjamin W. McDonough
Deputy Secretary
Board of Governors of the Federal Reserve System 20th Street and Constitution Avenue NW
Washington, D.C. 20551

Re: Request for Information and Comment on Proposal to Amend Bank Anti-Money Laundering and Countering the Financing of Terrorism Programs

To Whom It May Concern:

Americans for Free Markets (AFFM) appreciates the opportunity to provide input on the Federal Reserve Board's rulemaking proposal to amend its regulations governing anti-money laundering and countering the financing of terrorism (AML/CFT) programs. As a coalition of businesses and organizations committed to advancing sensible, pro-growth policies, AFFM supports efforts to modernize regulatory frameworks that strengthen national security while allowing businesses to operate under clear, objective and consistent standards.

Having spent decades at the Counter Extremism Project and United Against Nuclear Iran, I know firsthand the vital role that strong, robust financial standards play in combating the funding mechanisms of both emerging and established criminal groups. While these protections are essential, the regulatory framework must be modernized to reflect evolving technologies and financial practices to ensure that AML/CFT safeguards remain effective and proportionate to the threats they aim to prevent.

AFFM supports the proposal's overarching objective of improving the effectiveness of AML/CFT programs. Preventing illicit finance, combating money laundering and protecting the integrity of the financial system are essential responsibilities.

Importantly, the proposal recognizes that effective supervision should be risk-based rather than a one-size-fits-all approach. Allowing banks to focus their compliance resources on higher-risk activities instead of applying identical measures across all customers and transactions will improve the efficiency and effectiveness of AML/CFT programs. This will enable greater focus on truly suspicious activity and lessen unnecessary scrutiny of low-risk and lawful business activities.

While AFFM supports the direction of the proposal, the Board should clarify key terms and implementation expectations so that institutions do not revert to cautious overreporting or compliance box-checking. For example, terms such as "significant or systemic failure," "reasonably designed," "in all material respects" and "prompt updates" would be applied more consistently if they were accompanied by clearer, more narrowly tailored definitions.

AFFM also encourages the Board to tailor compliance expectations to institutions' size, operations and risk profile, and establish a formal consultation framework with the Financial Crimes Enforcement Network (FinCEN) before significant enforcement actions are pursued. Together, these refinements would promote greater consistency, transparency, public-private coordination and regulatory certainty. The final rule represents a critical step in realizing the administration's promise of guaranteeing fair access for all Americans, and it will better support and protect today's growing and prosperous economy.

AFFM supports regulatory modernization that improves the effectiveness of AML/CFT programs while reducing unnecessary regulatory burdens and preserving objective supervision. Clarifying key terms, limiting reliance on informal supervisory guidance and providing greater certainty around implementation would further advance the proposal's stated objectives while ensuring financial institutions can focus their resources on identifying genuine financial crime rather than navigating regulatory ambiguity and compliance “box-checking.”

AFFM appreciates the opportunity to comment on this proposal and encourages the Board to incorporate these improvements as it finalizes the rule. A modern, risk-based supervisory framework will better protect the financial system while promoting economic growth and free-market competition.

If you have any follow-up questions or require additional information, please contact David Ibsen at david@forfreemarkets.org.

Respectfully submitted,

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