



Week in Regulation

A Brisk Start to September

DAN GOLDBECK | SEPTEMBER 9, 2024

This past holiday-shortened week saw a fairly limited amount of regulatory volume, with only five rulemakings that had some kind of measurable economic impact. Among this handful of rulemakings, however, were some substantial costs. Perhaps the main item of the week – much like the [week](#) that preceded it, no less – was a rule from the Financial Crimes Enforcement Network (FinCEN) establishing further protocols meant to address potential money laundering schemes. Across all rulemakings, agencies published \$8 billion in total costs and added 5.5 million annual paperwork burden hours.

REGULATORY TOPLINES

- Proposed Rules: 32
- Final Rules: 47
- 2024 Total Pages: 72,868
- 2024 Final Rule Costs: \$1.24 trillion
- 2024 Proposed Rule Costs: \$119 billion

NOTABLE REGULATORY ACTIONS

The most consequential action of the week was the FinCEN [rule](#) regarding “Financial Crimes Enforcement Network: Anti-Money Laundering/Countering the Financing of Terrorism Program and Suspicious Activity Report Filing Requirements for Registered Investment Advisers and Exempt Reporting Advisers.” The rule seeks:

To include certain investment advisers in the definition of “financial institution” under the Bank Secrecy Act (BSA), prescribe minimum standards for anti-money laundering/countering the financing of terrorism (AML/CFT) programs to be established by certain investment advisers, require certain investment advisers to report suspicious activity to FinCEN pursuant to the BSA, and make several other related changes to FinCEN regulations.

As with many FinCEN rules from the past few years, the scope of its coverage results in rather extensive compliance burdens. While the degree of per-entity compliance costs [varies](#) depending upon certain firm characteristics, the agency estimates that total costs across a 10-year horizon add up to \$7.4 billion and paperwork burdens to average 5.2 million hours per year.

TRACKING THE ADMINISTRATIONS

As we have already seen from [executive orders and memos](#), the Biden Administration will surely provide plenty

of contrasts with the Trump Administration on the regulatory front. And while there is a general expectation that the current administration will seek to broadly restore Obama-esque regulatory actions, there will also be areas where it charts its own course. Since the AAF RegRodeo data extend back to 2005, it is possible to provide weekly updates on how the top-level trends of President Biden's regulatory record track with those of his two most recent predecessors. The following table provides the cumulative totals of final rules containing some quantified economic impact from each administration through this point in their respective terms.

TRACKING THE ADMINISTRATIONS

REGULATORY ACTIVITY FROM INAUGURATION DAY TO SEPTEMBER 6TH (Year 4)

	FINAL RULES	FINAL RULE COSTS	PAPERWORK HOURS
BIDEN 2021	1011	\$1.68T	324.7M
TRUMP 2017	1110	-\$96.3B	291.5M
OBAMA 2009	1376	\$322.4B	260.1M

LAST UPDATED: SEPTEMBER 6TH, 2024

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The FinCEN rule discussed above was the primary reason why Biden-era costs and paperwork totals increased by \$7.3 billion and 5.2 million hours, respectively. For all three administrations covered here, the start of September in their fourth year was a pretty active period. Trump-era costs increased by \$4.5 billion and the paperwork total spiked by an eye-popping 93.5 million hours. That massive jump in paperwork came as the result of an interim final rule from the Department of Health and Human Services (HHS) addressing aspects of the COVID-19 pandemic that, among other things, included COVID test reporting requirements that measured

in the hundreds of thousands of hours *per day*. The Obama Administration saw cost and paperwork increases of \$9.7 billion and nearly 9 million hours, respectively. A *series of rules from HHS* were the primary reason for these increases.

TOTAL BURDENS

Since January 1, the federal government has published \$1.36 trillion in total net costs (with \$1.24 trillion in new costs from finalized rules) and 113.2 million hours of net annual paperwork burden increases (with 47.5 million hours coming from final rules).

