

FinCEN Delays Effective Date for Prohibitions Targeting CIBanco, Intercam, and Vector

July 11, 2025

On July 9, 2025, the U.S. Treasury Department's Financial Crimes Enforcement Network ("FinCEN") delayed until September 4, 2025, the effective date for pending prohibitions on transmittals of funds to and from three well-known Mexican financial institutions — CIBanco S.A., Institución de Banca Multiple ("CIBanco"), Intercam Banco S.A., Institución de Banca Multiple ("Intercam"), and Vector Casa de Bolsa, S.A. de C.V. ("Vector") (collectively, the "Designated FIs").

The prohibitions on transmittals of funds were imposed pursuant to orders issued by FinCEN on June 25, 2025, identifying the Designated FIs as being "of primary money laundering concern in connection with illicit opioid trafficking," and were originally scheduled to take effect on July 21, 2025. Our previous client update provided an overview of FinCEN's authority to issue the orders under Section 2313a of the Fentanyl Sanctions Act (as amended by the FEND OFF Fentanyl Act), described the 2313a orders and the Trump Administration's efforts more broadly to target international drug cartels, and outlined certain compliance implications and considerations.¹

Below, we describe FinCEN's latest action and updated Frequently Asked Questions ("FAQs") related to the 2313a orders.²

What action did FinCEN take on July 9, 2025?

FinCEN issued an order on July 9, 2025, to amend the three original 2313a orders prohibiting transmittals of funds to and from CIBanco, Intercam, and Vector by extending the effective date of the prohibitions from July 21 to September 4, 2025.

¹ Debevoise In Depth, *U.S. Prohibits Transactions with Three Mexican Financial Institutions for Cartel-Linked Money Laundering* (June 30, 2025), <https://www.debevoise.com/insights/publications/2025/06/us-prohibits-transactions-with-three-mexican>.

² FinCEN, *Frequently Asked Questions, Update to Section 2313a Orders Prohibiting Certain Transmittals of Funds Involving CIBanco, Intercam, and Vector* (June 25, 2025, updated July 9, 2025), <https://www.fincen.gov/sites/default/files/shared/Final-FAQs.pdf>.

Why did FinCEN delay the effective date of the orders?

FinCEN stated that the delay is in response to measures taken by the Mexican government to address the concerns raised by FinCEN in the orders.³ Among other steps cited by FinCEN, the Mexican government has assumed key management functions of the three Designated FIs following their identification by FinCEN as financial institutions “of primary money laundering concern.”

Could the effective date be extended further?

In the FAQs, FinCEN acknowledges that the steps taken by the Mexican government and other complementary actions reflect a commitment to addressing financial integrity risks. FinCEN’s press release accompanying its latest action notes that Treasury will continue to coordinate closely with the Mexican government and will “carefully consider all facts and circumstances in considering any further extensions,” signaling possible further developments.⁴

Do the orders impose blocking sanctions on the Designated FIs?

No. FinCEN emphasizes in its FAQ guidance that its regulatory actions are not considered “sanctions designations or OFAC actions.” The orders have no requirement to block or freeze funds or property and do not independently require a covered financial institution to report transactions to the Office of Foreign Assets Control (“OFAC”).⁵

The FAQs also clarify that the Designated FIs are not added to the Specially Designated Nationals (“SDN”) list or any non-SDN list maintained by OFAC.⁶

Do the orders otherwise impose new compliance or reporting obligations?

One reason FinCEN provides for imposing the prohibitions on transmittals of funds to and from the Designated FIs through orders instead of rulemaking is that, according to FinCEN, the orders will not impose “new or unique compliance costs” on financial institutions.

As noted above, the 2313a orders do not trigger OFAC reporting requirements, unless transactions are otherwise reportable to OFAC under OFAC’s authorities. Further, with respect to suspicious activity reports (“SARs”), the FAQs note that the orders “do not impose a new SAR reporting obligation or otherwise alter existing SAR reporting

³ FAQ 9.

⁴ FinCEN, *Treasury Extends Effective Dates of Orders Issued Under New Authority to Counter Fentanyl* (July 9, 2025), <https://www.fincen.gov/news/news-releases/treasury-extends-effective-dates-orders-issued-under-new-authority-counter>.

⁵ FAQs 8 and 10.

⁶ FAQ 11.

obligations” and that financial institutions should continue reporting suspicious transactions as required under applicable requirements.⁷ Finally, the 2313a orders do not prohibit correspondent accounts and, accordingly, do not impose the notification requirement typically included in FinCEN’s regulations implementing prohibitions on such accounts.

Do the orders’ prohibitions apply retroactively?

No. The FinCEN FAQs confirm that covered financial institutions need only apply the prohibitions to transactions that occur on or after September 4, 2025.⁸

Are Mexico-based subsidiaries of U.S. financial institutions required to comply with the orders?

Whether a Mexico-based subsidiary of a U.S. financial institution is a “covered financial institution” and therefore bound by the orders depends, according to FinCEN, on the type of U.S. financial institution involved and the capacity in which an entity operates. The FAQs differentiate between a money services business (“MSB”) and a bank, noting that a foreign MSB may have Bank Secrecy Act compliance obligations if it does business in the United States, while a bank may not have the same legal obligations with respect to foreign activity and subsidiaries.⁹

However, the FAQs call attention to covered financial institutions’ enterprise-wide risk management requirements and related regulatory standards, including anti-money laundering risk management, requirements, and standards. The FAQs state that U.S. banks should ensure appropriate oversight and support for the activities of their foreign affiliates, particularly with respect to identifying and mitigating illicit finance risks associated with funds transmittals involving the Designated FIs.

Are there common scenarios where application of the orders remains unclear following the issuance of FinCEN’s updated FAQs?

Yes. The FAQs do not clarify whether the orders prohibit transmittals from or to the account of a pension plan or other investment vehicle for which a Designated FI acts exclusively as trustee. The FAQs also do not address whether a covered financial institution may receive payments on bonds issued by a Designated FI or whether payments to and from a Designated FI under a loan, credit facility, letter of credit or

⁷ FAQs 8 and 15.

⁸ FAQ 14.

⁹ FAQ 17.

other extension of credit in place prior to FinCEN's issuance of the original 2313a orders on June 25, 2025, are prohibited.

We understand that industry participants have sought guidance from FinCEN on these questions. In the meantime, the Mexican government has announced steps to transfer temporarily the trust businesses of CIBanco and InterCam to one or more of Mexico's development banks, with the sale of those businesses to private institutions to follow. However, we also understand that some pension plans and others that may be affected by such transfers are not in favor of them. In any event, effecting these transfers or otherwise appointing new trustees is expected to take many months, a time frame that extends beyond the 45-day delay FinCEN has granted.

The situation remains fluid, and firms should continue to monitor developments and to assess appropriate compliance measures.

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Please do not hesitate to contact us with any questions.



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