

FinCEN Proposes Whistleblower Program to Encourage Tips on Anti-Money Laundering, Sanctions and Other Violations

April 23, 2026

On April 1, 2026, the U.S. Treasury Department's Financial Crimes Enforcement Network ("FinCEN") issued a notice of proposed rulemaking (the "Proposed Rule") that would establish detailed rules for the whistleblower program created by the Anti-Money Laundering Act of 2020 ("AML Act") and expanded by the Anti-Money Laundering Whistleblower Improvement Act of 2022 ("AML Whistleblower Improvement Act").¹ Comments on the Proposed Rule are due on or before June 1, 2026.

The FinCEN whistleblower program offers incentives and protections to encourage reporting of violations of not only the Bank Secrecy Act (the "BSA") but also the International Emergency Economic Powers Act ("IEEPA"), Trading With the Enemy Act of 1917 ("TWEA") and Foreign Narcotics Kingpin Designation Act (the "Kingpin Act"). This scope is important to note.

- First, the whistleblower program covers a broad range of anti-financial crime and national security regimes. These include U.S. anti-money laundering and sanctions requirements, as well as the Outbound Investment Security Program ("OISP") and Data Security Program established by the Treasury Department and Department of Justice ("DOJ"), respectively, under IEEPA. By contrast, violations of the Commerce Department's export controls are not within scope.
- Second, the whistleblower program encompasses not only financial institutions with affirmative BSA obligations but also the full range of entities that have obligations to comply with the other covered statutes and regulations.

FinCEN currently accepts tips regarding potential violations and maintains a website to allow whistleblowers to submit tips. The Proposed Rule seeks to implement the statutory framework of the AML Act and the AML Whistleblower Improvement Act by establishing procedures governing the submission of tips and award applications, award eligibility, award adjudication and protections for whistleblowers. To this end, FinCEN's

¹ FinCEN, Whistleblower Incentives and Protections, 91 Fed. Reg. 16328 (April 1, 2026).

website notes that it will begin processing and paying awards after it finalizes the proposed rulemaking.

Below, we provide further information on the Proposed Rule and the FinCEN whistleblower program. We also invite all who are interested to join us on Monday, April 27, at 11 AM Eastern time, on a webinar to discuss the Proposed Rule and FinCEN's proposed new anti-money laundering/countering the financing of terrorism rules² (please register [here](#) to attend; register [here](#) to receive the on-demand recording).

Background

The AML Act, enacted as part of the National Defense Authorization Act for Fiscal Year 2021, included a number of measures to update the BSA and enhanced whistleblower award provisions for information on BSA violations.³ In December 2022, the AML Whistleblower Improvement Act expanded the scope of the whistleblower program by allowing awards to be paid to whistleblowers providing information relating to violations of IEEPA, TWEA and the Kingpin Act and for conspiracies to violate those statutes and the BSA.⁴ To ensure that whistleblowers are appropriately compensated, the AML Whistleblower Improvement Act also mandated that eligible whistleblowers receive a minimum of 10% of monetary sanctions collected and established a fund for the payment of whistleblower awards so they can be paid without being tied to the federal appropriations process.

FinCEN's Proposed Program

Under the Proposed Rule, a number of elements would need to be met for a whistleblower to receive an award. Principal among them are the following:

- **Original Information:** To receive an award, a whistleblower must provide "original information." Original information must:
 - Be derived from the independent knowledge or independent analysis of the whistleblower.

² See Debevoise In Depth, "From Check-the-Box to Effectiveness: FinCEN Proposes 'Fundamental' AML/CFT Reforms" (April 20, 2026), [available here](#).

³ See AML Act, Pub. L. No. 116-283, div. F, §§ 6001-6511 (January 1, 2021); Debevoise In Depth, "Congress Passes Sweeping Anti-Money Laundering and Corporate Beneficial Ownership Law" (January 4, 2021), [available here](#).

⁴ AML Whistleblower Improvement Act, Pub. L. No. 117-328, div. AA, tit. IV (December 29, 2022).

- Not be already known to Treasury or DOJ from another source, unless the whistleblower is the original source of the information.
- Not be exclusively derived from an allegation made in a judicial or administrative hearing, in a governmental report, hearing, audit or investigation, or from a publicly available source, unless the whistleblower is a source of the information.
- Be provided to the Treasury or DOJ for the first time (i) after January 1, 2021, for violations of the BSA, or (ii) after December 29, 2022, for violations of IEEPA, TWEA or the Kingpin Act and for conspiracies to violate the BSA, IEEPA, TWEA or the Kingpin Act.
- **Submission to FinCEN:** A whistleblower who provides information to an employer, DOJ or a part of Treasury other than FinCEN must also provide the same information to FinCEN within a “reasonable time” to be eligible for an award. FinCEN has not yet defined what constitutes a “reasonable time.”

Whistleblowers who obtained information through the following roles or channels would need to wait at least 120 days after obtaining the information before providing it to FinCEN to be eligible for an award (the “120-Day Rule”):

- Information obtained because the whistleblower was an officer, director, trustee or partner of an entity.
- Information learned in connection with the entity’s internal processes for identifying, reporting and addressing possible violations of law by that entity or a related entity.
- Information obtained because the whistleblower (i) was an employee whose principal duties involve audit or compliance responsibilities or (ii) was employed by, or otherwise associated with, a firm retained to perform audit or compliance functions for an entity.

The preamble to the Proposed Rule discusses the fact that DOJ and Treasury’s Office of Foreign Assets Control already incentivize company self-disclosures, which disclosures are considered a mitigating factor in enforcement actions. The 120-Day Rule exists in part to give companies time to review and address potential violations and to voluntarily self-disclose them where appropriate. Companies should keep in mind that the 120-day waiting period runs from when the whistleblower obtained the information, not from when the company first learns of the issue.

- **Whistleblower Eligibility:** There are four eligibility requirements for an award under the whistleblower program:
 - The whistleblower must have voluntarily provided original information.
 - The whistleblower must be the original source of the original information.
 - The whistleblower's original information must lead to the successful enforcement of a "covered action" (defined below) or "related action" (brought by an appropriate agency or authority based on the original information that led to the successful enforcement of a covered action). Even where the conduct is already under investigation or examination, a whistleblower may still be eligible for an award if the information significantly contributed to the successful enforcement of a covered or related action.
 - The whistleblower must provide additional information to Treasury or DOJ upon request.

A whistleblower is ineligible for an award if the whistleblower obtained the information through a communication subject to attorney-client privilege, the work product doctrine or a similar concept under foreign law, unless the disclosure is otherwise permitted by applicable law or attorney conduct rules. A whistleblower is also ineligible for an award if the information was obtained in connection with the legal representation of a client on whose behalf the whistleblower or the whistleblower's employer or firm provided services, and the whistleblower seeks to use the information for their own benefit, unless disclosure of such information is otherwise permitted by applicable law or attorney conduct rules.

Anonymous submission of reports is permitted. If a whistleblower submits original information anonymously and submits an award application anonymously, that whistleblower must be represented by an attorney.

- **Tip, Complaint or Referral Form ("Form TCR"):** The Proposed Rule would require whistleblowers generally to submit information through an online portal using the Form TCR or a successor form. In certain situations, information may be submitted in another manner authorized by FinCEN.
- **Dollar Threshold and Award Amount:** For a whistleblower to receive a monetary award, there must be successful enforcement of a "covered action." The Proposed Rule would define the term "covered action" as "[a]ny single judicial or administrative action brought by [Treasury or DOJ] under a covered statute or for a conspiracy to violate a covered statute that has been successfully enforced and results

in monetary sanctions exceeding \$1,000,000.” The Proposed Rule would allow FinCEN to treat multiple actions arising out of substantially the same facts and enforced at substantially the same time as a single covered action for threshold purposes. If a whistleblower qualifies for an award, the Proposed Rule would provide for an award of 10% to 30% of collected monetary sanctions, with a maximum award presumption if 30% of the collected monetary sanctions is, in aggregate, \$15 million or less. The Proposed Rule outlines certain negative factors that FinCEN may consider in determining an award amount, including the whistleblower’s culpability and actions to undermine or compromise the integrity or effectiveness of an entity’s internal compliance or reporting functions.

Key Takeaways and Implications

FinCEN expects that the whistleblower program under the Proposed Rule will lead to increased reporting of violations. To this end, FinCEN estimates that it currently receives approximately 87 unique whistleblower submissions per year; it expects that number “potentially doubling (or more) within a short period following the effective date of a final rule.”

Although the definition of “covered action” is limited to violations resulting in monetary sanctions exceeding \$1 million, companies should not assume that only clearly significant matters will see increased reporting. Aggregation of certain actions is permitted for threshold purposes, and the availability of potentially large awards and anonymous reporting may also increase reporting.

Generally, the whistleblower program is open to persons located both in the United States and internationally, although certain foreign officials would be ineligible for an award. This scope may be particularly important for allegations of sanctions, OISP or related violations due to the international scope of these regimes. The Proposed Rule may incentivize direct reporting to FinCEN by persons who are in foreign offices or affiliates.

Firms may wish to prepare for reporting under FinCEN’s whistleblower program by reviewing internal policies, procedures and controls related to anti-financial crime and national security compliance and the handling of internal whistleblower complaints. If and when the Proposed Rule is finalized, the 120-Day Rule, as described above, will require firms to act quickly once concerns are discovered or raised internally and to make prompt determinations about voluntary disclosures, which receive important credit in sanctions and other enforcement contexts. It may be important to ensure that internal protocols and resourcing are equipped to handle this timeline so that a

company has sufficient time to investigate and determine next steps before an individual provides information to FinCEN.⁵

Further, firms may need to consider confidentiality requirements in employment, separation and other agreements and pre-dispute arbitration provisions in policies or conditions of employment. The Proposed Rule would prohibit impeding individuals from communicating possible violations or conspiracies to commit violations to FinCEN or DOJ or requiring any waiver of whistleblower rights. As such, companies may wish to avoid any language in agreements or policies that may impede disclosures or waive rights under the whistleblower program.

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Please do not hesitate to contact us with any questions.



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⁵ See Debevoise In Depth, “Preparing for AI Whistleblowers – 2026 Update” (March 30, 2026), available [here](#), for additional guidance on updating whistleblower policies and procedures to manage risks posed by artificial intelligence (“AI”) and preparing for AI whistleblower complaints.