US TREASURY REPORT

WEEK 26 OF 2025

1. Treasury Issues Historic Orders under Powerful New Authority to Counter Fentanyl

On the 25th June 2025, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issued orders identifying three Mexico-based financial institutions—CIBanco S.A., Institution de Banca Multiple (CIBanco, Institución de Banca Multiple (Intercam), and Vector Casa de Bolsa, S.A. de C.V. (Vector)—as being of primary money laundering concern in connection with illicit opioid trafficking, and prohibit, respectively, certain transmittals of funds involving CIBanco, Intercam, and Vector.

These orders are the first actions by FinCEN pursuant to the Fentanyl Sanctions Act and the FEND Off Fentanyl Act, which provide Treasury with additional authorities to target money laundering associated with the trafficking of fentanyl and other synthetic opioids, including by cartels.

Related Publications:
Treasury Issues Historic Orders under Powerful New Authority to Counter Fentanyl | U.S. Department of the Treasury
FinCEN notice of order - CIBanco S.A
FinCEN notice of order), - Intercam Banco S.A.
FinCEN Notice of order - Vector Casa de Bolsa, S.A.

In relation to the above, FinCEN issued several FAQs.

FAQ 9 states that if FinCEN finds that a covered financial institution is continuing to transact with CIBanco, Intercam, or Vector in a manner prohibited by the orders, 21 U.S.C. 2313a(d) provides that the penalties set forth in 31 U.S.C. 5321 and 5322 that apply to violations of special measures imposed under section 9714 of the Combatting Russian Money Laundering Act (Public Law 116-283) will apply to violations of any order, regulation, special measure, or other requirement imposed by a section 2313a action, in the same manner and to the same extent as described in sections 5321 and 5322.

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<u>Civil penalties</u>: FinCEN may impose a civil money penalty in an amount equal to not less than two times the amount of the transaction, but not more than $1,776,364 (as of today's date), on any covered financial institution that violates a section 2313a order. See 31 CFR 1010.821 (civil penalty inflationary adjustment table).

<u>Criminal penalties</u>: A covered financial institution that willfully violates a section 2313a order may also be subject to a criminal fine in an amount equal to not less than two times the amount of the transaction, but not more than $1,000,000.

<u>FAQ 10</u> explains that these orders do not cover historic transactions and that covered financial institutions are only responsible for applying the orders to transactions that occur after the orders are effective. To ensure orderly implementation, FinCEN will delay the effective dates of these orders for 21 days from their publication to allow covered financial institutions time to adapt business practices to respond and comply (i.e., a "wind down period" which FinCEN has allowed for in previous actions).

<u>Related Publication:</u>
FinCEN FAQ