



Financial Crimes Enforcement Network

A bureau of the U.S. Department of the Treasury

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FinCEN Announces Final Rule on Currency Transaction Reporting Exemptions

VIENNA, Va. – The Financial Crimes Enforcement Network (FinCEN) announced today the submission to the *Federal Register* for publication of its final rule that simplifies the current requirements for depository institutions to exempt their eligible customers from currency transaction reporting. In finalizing and issuing the rule, FinCEN is amending, in accordance with the Government Accountability Office's (GAO's) [recommendations](#), FinCEN's independent research, and the public comment process, the Bank Secrecy Act (BSA) regulation that allows depository institutions to exempt certain persons from the requirement to report transactions in currency in excess of \$10,000. As the GAO highlighted in its February 2008 report, Currency Transaction Reports (CTRs) provide unique and reliable information essential to supporting investigations and detecting criminal activity.

“These regulatory changes will make it easier for financial institutions to take better advantage of exemptions from CTR filing requirements for certain classes of customers, while continuing to report valuable information to law enforcement,” said FinCEN Director James H. Freis, Jr. “FinCEN also made improvements to our proposed rule based on valuable industry feedback received during the comment period.”

The final rule makes the following changes to the current CTR exemption system:

- Depository institutions will no longer be required to review annually or make a designation of exempt person (DOEP) filing for customers who are other depository institutions, U.S. or State governments, or entities acting with governmental authority.
- Depository institutions will be able to designate an otherwise eligible non-listed company or a payroll customer after either two months time (previously twelve months) or after conducting a risk-based analysis of the legitimacy of the customer's transactions.

- FinCEN's guidance on the definition of "frequent" transactions will be changed to five transactions per year instead of the current eight transactions per year.
- Depository institutions will no longer be required to biennially renew a designation of exempt person filing for otherwise eligible Phase II customers, but an annual review of these customers must still be conducted.
- Depository institutions will no longer be required to record and report a change of control in a designated non-listed or payroll customer.

The new rule takes effect on January 5, 2009. The final rule [as published in the Federal Register](#) is posted on FinCEN's website.

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The mission of the Financial Crimes Enforcement Network is to safeguard the financial system from the abuses of financial crime, including terrorist financing, money laundering, and other illicit activity. We achieve this mission by: administering the Bank Secrecy Act; supporting law enforcement, intelligence, and regulatory agencies through sharing and analysis of financial intelligence; building global cooperation with our counterpart financial intelligence units; and networking people, ideas, and information.