



Financial Crimes Enforcement Network

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

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FinCEN Proposes Amendments to MSB Definition

Public comments sought for important refinements

VIENNA, Va. – The Financial Crimes Enforcement Network (FinCEN) today issued a Notice of Proposed Rulemaking (NPRM) designed to make the determination of which businesses qualify as Money Services Businesses (MSBs) more straightforward and predictable.

“MSBs play a vital and central role in the financial lives of millions of Americans,” said FinCEN Director James H. Freis, Jr. “For many customers, MSBs offer a convenient place to cash a check or send money home. These businesses also have responsibilities to comply with the laws that protect the overall financial system from criminal abuse, and to make available information that supports law enforcement’s investigatory efforts.”

FinCEN is proposing to revise the MSB definition by describing with more clarity the types of financial activity that will subject a business to the Bank Secrecy Act (BSA) implementing rules. This proposal will incorporate past FinCEN rulings and policy determinations into the regulatory text and will make it easier for MSBs to determine their responsibilities.

Currently, to meet one definitional threshold of an MSB a person must conduct \$1,000 of transactions per person per day. This applies to all categories of MSBs except for “money transmission.” This NPRM solicits comment on either raising or lowering the definitional threshold. If a person meets the definition for an MSB, they are subject to the applicable recordkeeping and reporting requirements of the BSA rules. An entity that engages in money transmission in any amount is subject to the BSA rules and the solicitation for comment on revising the threshold is directed to the other categories of MSB. FinCEN will address regulation changes concerning stored value providers in a future rulemaking. In this rulemaking, however, FinCEN solicits comments on stored value issues in an effort to have a better-informed subsequent rulemaking confined to providers of stored value.

This NPRM also proposes to ensure that a foreign-located entity engaging in MSB activities within the United States is regulated as an MSB. Accordingly, the proposed rule clarifies that certain foreign-located entities engaging in MSB activities within the United States, such as

having U.S. customers or transmitting money to, or from, U.S. recipients, are subject to the BSA rules.

The [proposed rule](#) as published in the Federal Register is posted on www.FinCEN.gov . In an effort to more efficiently organize regulatory information for all of the financial industries subject to BSA rules, FinCEN has recently consolidated information available on www.msb.gov into its main Web site, and users will be redirected accordingly. Comments concerning the NPRM from the industry and the public are welcome through September 9, 2009.

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FinCEN's mission is to enhance U.S. national security, deter and detect criminal activity, and safeguard financial systems from abuse by promoting transparency in the U.S. and international financial systems. As part of its regulatory function in administering the BSA, FinCEN requires financial institutions across a broad range of industry sectors to implement anti-money laundering programs, as well as recordkeeping and reporting obligations.