



Financial Crimes Enforcement Network

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

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FOR IMMEDIATE RELEASE

July 26, 2011

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FinCEN Issues Prepaid Access Final Rule Balancing the Needs of Law Enforcement and Industry

VIENNA, Va. – The Financial Crimes Enforcement Network (FinCEN) today issued its final rule that amends Bank Secrecy Act Regulations – Definitions and Other Regulations Relating to [Prepaid Access](#), amending the [money services businesses \(MSB\) rules](#) and establishing a more comprehensive regulatory approach for prepaid access. The rule puts in place suspicious activity reporting, and customer and transactional information collection requirements on providers and sellers of certain types of prepaid access similar to other categories of MSBs.

“The final rule addresses regulatory gaps that have resulted from the proliferation of prepaid access innovations over the last 12 years and their increasing use as an accepted payment method,” said FinCEN Director James H. Freis, Jr. “FinCEN prepaid access regulations also provide a balance to empower law enforcement with the information needed to attack money laundering, terrorist financing, and other illicit transactions through the financial system while preserving innovation and the many legitimate uses and societal benefits offered by prepaid access.”

The final rule:

- Renames “stored value” as “prepaid access,” without narrowing or broadening the meaning of the term, but to more aptly describe the underlying activity.
- Adopts a targeted approach to regulating sellers of prepaid access products, focusing on the sale of prepaid access products whose inherent features or high dollar amounts pose heightened money laundering risks.
- Exempts from the rule prepaid access products of \$1,000 or less and pay roll products if they cannot be used internationally, do not permit transfers among users, and cannot be reloaded from a non-depository source.
- Exempts closed loop prepaid access products sold in amounts of \$2,000 or less.
- Excludes government funded and pre-tax flexible spending for health and dependent care funded prepaid access programs.

A “Provider” of “Prepaid Access” for a prepaid access program can be designated by agreement among the participants in the program or will be determined by their degree of its oversight and control over the program – including organizing, offering, and administering the program. Providers are required to register with FinCEN.

Sellers are retailers of prepaid access devices. While sellers are not required to register with FinCEN (just as no MSB that operates solely as an agent for another MSB is required to register), they must maintain an anti-money laundering program if the prepaid access product offered is covered by the rule and can be used without a later activation process that includes customer identification; or if a retailer sells prepaid access products (regardless of whether offered under a prepaid program) providing a portal to funds that exceed \$10,000 to any person during any one day.

The prepaid access final rule is mandated under the Credit Card Accountability, Responsibility and Disclosure Act of 2009. “Prepaid Access” under the final rule covers prepaid devices such as plastic cards, mobile phones, electronic serial numbers, key fobs and/or other mechanisms that provide a portal to funds that have been paid for in advance and are retrievable and transferable.

This rule will be effective 60 days from publication in the Federal Register. The compliance with the registration requirement will not be required until six months from publication in the Federal Register to allow time for the registration form to be updated.

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*F*inCEN'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.