



Financial Crimes Enforcement Network

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

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FinCEN Announces Proposal to Amend Currency Transaction Reporting Exemption Regulations

VIENNA, Va. – The Financial Crimes Enforcement Network (FinCEN) is proposing to significantly simplify the current requirements for depository institutions to exempt their eligible customers from currency transaction reporting. FinCEN announced the proposal and request for comments in a [Notice of Proposed Rulemaking](#) (NPRM) submitted today for publication in the Federal Register. FinCEN is seeking to amend the Bank Secrecy Act (BSA) regulation allowing depository institutions to exempt certain persons from the requirement to report transactions in currency in excess of \$10,000, in accordance with the Government Accountability Office's (GAO's) recent [recommendations](#) and FinCEN's independent research on the underlying issues. As the GAO highlighted in its February report, Currency Transaction Reports (CTRs) provide unique and reliable information essential to supporting investigations and detecting criminal activity.

“FinCEN strongly supports the GAO's recommendations, and we are continuing to take a fresh look at existing BSA regulations,” said FinCEN Director James H. Freis, Jr. “We welcome recommendations to streamline regulatory compliance while still providing needed information to law enforcement.”

Under the current regulations, depository institutions may exempt from CTR reporting requirements: 1) large reportable transactions in currency made by other depository institutions, governmental departments or agencies, those acting with governmental authority, or public companies and their subsidiaries that are listed on one of three major exchanges referenced in FinCEN's regulations (commonly referred to as Phase I exemptions); and 2) reportable transactions in currency by eligible non-listed businesses or payroll customers (Phase II exemptions). FinCEN proposes removing three existing regulatory requirements. Under the NPRM, depository institutions would:

- *No longer be required* to file exemption forms for, or to annually review, customers that are depository institutions, government agencies, or entities acting with governmental authority;
- *No longer be required* to biennially renew a designation of exempt person filing for otherwise eligible Phase II customers; and
- *No longer be required* to wait 12 months before designating otherwise eligible Phase II customers for exemption.

More recent regulatory developments and rulemakings have benefited FinCEN's evaluation of CTR reporting and exposed areas where reasonable changes could be made to avoid potentially duplicative financial industry filing requirements. Modification of the CTR exemption process is part of FinCEN's continuing effort to increase the efficiency and effectiveness of BSA regulations, while maintaining the usefulness of BSA reports to law enforcement.

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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.