



Financial Crimes Enforcement Network

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

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FinCEN Assessment of CTR Changes Shows Higher Value for Law Enforcement; Efficiency for Financial Institutions

VIENNA, Va. – The Financial Crimes Enforcement Network (FinCEN) today released an assessment – [*Assessing the Impact of Amendments to the CTR Exemption Rules Implemented on January 5, 2009*](#) – of the impact of changes made to currency transaction report (CTR) requirements that shows fewer CTR filings are made on transactions of limited or no use to law enforcement, while higher value CTRs are becoming easier to identify. Overall, CTR filings fell nearly 12 percent from 15.5 million in 2008 to 13.7 million in 2009, but certain classes of valuable filings increased.

In December of 2008, FinCEN published a rule intended to simplify and clarify the process by which financial institutions exempt the transactions of certain persons from the requirement to report transactions in currency in excess of \$10,000. The amendments aimed to reduce the cost of the exemption process to depository institutions by eliminating the need to file a Designation of Exempt Person (DOEP) for certain customers and to enhance the value and utility of the remaining CTR filings for law enforcement investigative purposes by removing filings that FinCEN determined to have little or no value. The changes follow two key issues raised in a 2008 General Accountability Office study on CTR filings.

“This study, issued 18 months after the rule went into effect, offers substantial evidence that FinCEN’s efforts to address CTR filing issues have been effective and the result being financial institutions continue to provide even more useful and targeted information to assist law enforcement,” said FinCEN Director James H. Freis, Jr. in announcing the study.

Overall, FinCEN found that DOEP filings fell 44 percent to the lowest levels ever. Since the rule made DOEP filings unnecessary when the customer is a bank, government agency, or governmental authority, those filings dropped nearly 75 percent in 2009. FinCEN expects filings in this area to fall to zero over time.

The rule change retained the initial DOEP filing requirement for certain other customers where FinCEN deemed the DOEP filing would still provide useful information for law enforcement, but significantly reduced the thresholds and simplified the process for making those designations. As a result, the number of initial DOEP filings for these types of customers grew 42 percent in 2009. Most notably, initial designations for eligible non-listed businesses increased 53 percent, indicating that many institutions understood and were taking advantage of the new streamlined exemption process.

FinCEN today also published a consolidated list of suspicious activity report (SAR) [key terms](#), designed to provide a quick reference for compliance professionals. From time to time, FinCEN has issued guidance to financial institutions requesting that they include certain key terms, such as “foreclosure rescue scam” in their SAR narratives. These terms enable law enforcement and regulatory investigators to more easily search and utilize these SARs.

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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.