



Department of the Treasury Financial Crimes Enforcement Network

Ruling

FIN-2009-R002

Issued: July 2, 2009

Subject: Treatment of Deposits by Armored Cars for Currency Transaction Report (CTR) Purposes

Dear []:

I am responding to your letters, dated March 20, 2008, and June 8, 2008, to the Financial Crimes Enforcement Network (“FinCEN”), in which you seek an administrative ruling on the treatment of certain deposits for Currency Transaction Report, FinCEN Form 104 (“CTR”) purposes. Specifically, you seek a ruling on behalf of your client, [] (the “Bank”) on a scenario involving unrelated companies contracting with an armored car to make deposits that collectively exceed \$10,000 in currency at a bank.

Based on your representation, the Bank has four customers¹ (the “Companies”) who have contracted with the same armored car service to deliver currency deposits to the Bank.² Upon receiving the deposits, the Bank completes a single CTR, if the total amount of currency delivered by the armored car service is in excess of \$10,000. The Bank reports information on each Company whose currency is being deposited in Section A of Part I of the CTR, checks the “Armored Car Service” and “Multiple Transactions” boxes, but provides no other information in Section B of Part I, and reports the total amount deposited on behalf of all the Companies in Part II.

Under FinCEN’s regulations, “[e]ach financial institution ... shall file a report of each deposit, withdrawal, exchange of currency or other payment or transfer, by, through, or to such financial institution which involves a transaction in currency of more than \$10,000[.]”³ A financial institution must file a CTR when it has knowledge that multiple transactions by or on behalf of a person involve transactions in currency that aggregate more than \$10,000 cash in or cash out in one business day.⁴ In addition, financial institutions must file a CTR for currency received by an armored car service from the financial institution’s customer when the armored car service, as an agent of the financial

¹ In a subsequent telephone conversation on June 11, 2008, you indicated that the companies are distinct entities with different tax identification numbers.

² Any given delivery by the armored car service may include currency intended as deposits for any or all of the Companies, and the Bank treats the delivery accordingly.

³ 31 C.F.R. § 103.22(a)(1).

⁴ 31 C.F.R. § 103.22(c)(2).

institution, physically receives cash from the customer, transports it and processes receipts, even though the currency may never physically be received by the financial institution.⁵

In the situation you have described, the Companies have contracted with the armored car service to make deposits at the Bank, rather than the Bank contracting with the armored car service to receive currency. Thus, the armored car service is making deliveries for the Companies rather than acting as an agent of the Bank. The CTR requirement applies, if the \$10,000 threshold is met, when the armored car service delivers the currency to the Bank, and not when the armored car service receives the currency from the Companies. Therefore, if the deposit made by the armored car is greater than \$10,000 a CTR should be completed, checking boxes 1b (multiple persons) and 1c (multiple transactions) to indicate that multiple transactions and multiple persons were involved. Since the Companies are distinct entities, a separate Section A should be completed for each Company on whose behalf a transaction is conducted. Additionally, in Section B, the Bank should provide as much information as it can about the person conducting the transaction, the armored car employee acting as an agent of the Companies.⁶ The total amount of currency received should be reported in Part II.

It should be noted, however, that completing a CTR when more than \$10,000 has been deposited by the armored car service does not alter the Bank's responsibility to complete a CTR if, aggregating the armored car deposit together with other transactions on the same day, the Bank has knowledge that more than \$10,000 in currency has been deposited on behalf of one of the Companies.⁷ The Bank will, of course, automatically have such knowledge if the armored car deposit itself includes a deposit of more than \$10,000 on behalf of any one of the Companies. In addition, however, FinCEN wants to remind the Bank that armored car transactions may only be one type of transaction for a particular customer during a business day, and the Bank should have policies and

⁵ Admin. Rul. 88-5 (Aug. 2, 1988), 31 C.F.R. Part 103, App. A.

⁶ The Bank needs to provide information in Section B because the Bank is reporting something other than the typical transaction for which the "Armored Car Service" check box is used, namely when an armored car service is acting as an agent of the bank filing the CTR. In such a transaction, information about the armored car service does not have to be provided in the CTR, and if such information later becomes necessary, the bank would be able to obtain the missing information about the filing circumstances after the fact, because it is a party to the contract under which the armored card service handled the currency. Past FinCEN guidance on the treatment of armored cars has focused on situations in which an armored car is providing services for the filing bank as its agent, rather than a scenario in which the armored car is contracting with non-financial institutions.

⁷ We reject the Bank's suggestion that "no purpose is served" by the requirement to aggregate the armored car deposit into one account with other daily deposits from other sources into the same account. In the absence of the aggregation requirement, it would be possible for a bank customer to obscure the significance of its cash deposits, and possibly avoid CTR reporting, by the simple expedient of always conducting its cash deposits through intermediaries simultaneously handling the cash deposits of other customers. We also reject the Bank's suggestion that reminding the Bank of this requirement constitutes retroactive imposition of a "new reporting standard for Armored Car Deposits." The aggregation rule applies to all deposits, regardless of who conducts them on behalf of a customer, and it has applied in substantially this form for more than a generation. *See, e.g.,* 52 Fed. Reg. 11436, 11442 (April 8, 1987).

procedures in place that identify and aggregate both armored car and other transactions if the Bank has knowledge that the transactions are by or on behalf of the same customer. These policies and procedures should allow the Bank to make effective use of its knowledge with respect to all of these transactions.

If the Bank had a separate agreement with the armored car service making deposits for the Companies, under which that armored car service made deposits at the Federal Reserve Bank [] on the Bank's behalf, the Bank's reporting requirements would be somewhat different. An agreement between the Bank and the armored car service to make deposits on the Bank's behalf would mean that the armored car service was, in essence, acting as an agent of the Bank. If this were the case, Section A of the CTR would be filled out as directed above, but in Section B, only box "a" for "Armored Car Service" would need to be checked to satisfy the CTR requirements.⁸ The Bank's aggregation responsibilities outlined above would still apply.

In arriving at the determinations in this administrative ruling, we have relied upon the accuracy and completeness of the representations in your letters. Nothing precludes us from seeking further action should any of this information prove inaccurate or incomplete. We reserve the right to publish this letter as guidance to financial institutions, with information redacted in accordance with your request under 31 C.F.R. § 103.81(a)(5) and as indicated in your March 20, 2008 and June 8, 2008 letters. You will have 14 days after the date of this administrative ruling to identify any other information that you believe should be redacted and the legal basis for the redaction. Should you have any additional questions, please contact FinCEN's regulatory helpline at (800) 949-2732.

Sincerely,

//signed//

Jamal El-Hindi
Associate Director
Regulatory Policy and Programs Division

⁸ See footnote 6.