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Senior Vice President and
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May 28, 2002

Via Electronic Mail



FinCEN
P.O. Box 39
Vienna, VA 22183
Attn: Section 352 CC Regulations

Ladies and Gentlemen:

This comment letter is submitted on behalf of Visa U.S.A. Inc. and Visa International Service Association (collectively "Visa") in response to the interim final rule adopting 12 C.F.R. § 103.135, Anti-Money Laundering Programs for Operators of a Credit Card System, pursuant to Section 352 of the USA PATRIOT Act ("Interim Rule"). As the operator of the largest consumer payment system in the world with more volume than all other major payment cards combined, Visa appreciates the opportunity to comment on this important subject. Visa plays a pivotal role in advancing new payment products and technologies to benefit its 21,500 member financial institutions and their millions of cardholders worldwide. Visa and its members have a keen interest in avoiding the use of the Visa system for money laundering and the financing of terrorist activities.

Visa has long believed that the integrity of the Visa payment system depends in large measure on limiting membership to entities that have a high degree of integrity and financial responsibility. For example, membership in Visa U.S.A. Inc., Visa's domestic operator, generally is limited to regulated banking institutions eligible for deposit or share insurance, their affiliates and organizations that these institutions control. These banking institutions independently are subject to extensive guidance by the banking agencies on money laundering procedures, as well as Sections 326 and 352 of the USA PATRIOT Act, the Bank Secrecy Act, the International Emergency Economic Powers Act, the Antiterrorism and Effective Death Penalty Act and regulations and orders adopted or issued under these Acts.

In foreign jurisdictions, Visa also relies on law enforcement officials and financial supervisors to ensure that its members comply with local laws. To the extent that local laws in foreign jurisdictions differ from domestic requirements in ways that raise policy concerns in the United States, Visa believes that the public sector is better situated than the private sector to influence practices in those countries. Because of the efficiency of the international financial system, efforts by private sector institutions to carry out United States' policies in foreign jurisdictions are likely to be frustrated as transactions are rerouted to foreign competitors to avoid their efforts. Accordingly, Visa urges the Treasury and other U.S. Government departments and their agencies to continue to work with foreign jurisdictions to reduce the vulnerability of the international financial system and increase the worldwide effectiveness of measures designed to combat money laundering and terrorist financing.

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In the context of these broader efforts, Visa supports the adoption of the Interim Rule for operators of credit card systems under Section 352 of the USA PATRIOT Act. The Interim Rule provides helpful guidance for operators of credit card systems in establishing programs to comply with Section 352. Visa believes that it is appropriate that the Interim Rule focuses Visa's scrutiny on its members and prospective members. In addition, Visa supports the statements in the explanation of the Interim Rule that the operator of a credit card system, like the Visa system, should not be placed in the role of regulating issuing or acquiring institutions or monitoring transactions. Visa also supports the statement that the Interim Rule is not intended to place the operator of a credit card system in the role of guaranteeing that no issuing or acquiring institutions permit money laundering or terrorist financing through the use of the operator's credit card. These statements reflect a realistic understanding of the roles of operators of credit card systems. Visa believes that it is important that these statements be incorporated expressly in the final rule.

Visa particularly appreciates the assistance that the Interim Rule provides in helping operators of credit card systems identify those jurisdictions where the Treasury believes that the existing government response to money laundering and terrorist financing has been inadequate. Through international cooperation involving law enforcement officials and financial supervisors, the Treasury and other financial supervisors and law enforcement officials are uniquely positioned to identify weaknesses in foreign jurisdictions' approaches to money laundering and terrorist financing. Visa believes that operators of credit card systems will be able to assess appropriately the risks that particular members pose to credit card systems and to take appropriate steps to guard against any such member issuing credit cards or acquiring merchants in circumstances that facilitate money laundering or terrorist activity by relying on this guidance in the context of the anti-money laundering laws where the member is located, home country supervision of financial institutions and other information. Visa encourages and supports the Treasury Department's efforts to align its initiative with comparable programs being developed on a global basis, such as measures recommended by the Financial Action Task Force on Money Laundering, to minimize inconsistencies in approach across multiple jurisdictions.

Visa appreciates the opportunity to comment on this important matter and looks forward to working with the Treasury and others to address problems of money laundering and terrorist financing. If you have any questions concerning these comments, or if we may otherwise assist you further, please do not hesitate to contact me at (415) 932-2178.

Sincerely,

Russell W. Schrader
Senior Vice President and
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