

**Larson, Stacie**

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**Subject:** Attention: Section352AMLPR Regulations

FinCEN  
Attn: Section 352 AMLP Regulations  
31 CFR Part 103  
RIN 1506-AA28

Ladies and Gentlemen:

This comment is submitted in response to the Interim Final Rule (the "Rule") issued by FinCEN on April 24, 2002 concerning Anti-Money Laundering Programs for Financial Institutions. The Rule requires certain financial institutions (banks, savings associations, credit unions, registered brokers and dealers, futures commission merchants, and casinos) to have in place anti-money laundering programs by April 24, 2002. The preamble to the Rule states that "this rule temporarily exempts, until not later than October 24, 2002, all other financial institutions from the requirement that they establish anti-money laundering programs."

This exemption until October 24, 2002 for "all other financial institutions" presumably exempts, among others, certain trust companies which come within the definition of "financial institutions" in the Patriot Act. Many states, including Connecticut, permit the establishment of state-chartered trust companies that do not accept deposits, are not required to obtain FDIC deposit insurance, and are not subject to regulation or supervision by the FDIC or any other Federal regulator.

Because these state-chartered trust companies are not "regulated by a Federal functional regulator," they are not covered by the requirements of the Rule contained in 12 CFR Section 103.120(b). Accordingly, for all of the reasons as discussed in the preamble to the Rule, these state-chartered trust companies should be treated the same as "all other financial institutions" that need not adopt anti-money laundering programs until October 24, 2002.

While the preamble to the Rule uses the phrase "all other financial institutions" to describe the exemption until October 24, 2002, the Rule itself, in 12 CFR Section 103.170(a), seeks to specifically list each of those other financial institutions. Unfortunately, the list in Section 103.170(a) fails to include trust companies. To clarify this ambiguity, we suggest that the Rule be revised in Section 103.170(a)(2) specifically to include "Trust companies not regulated by a Federal functional regulator" within the list of "exempt financial institutions."

Thank you for the opportunity to submit this comment. We would be pleased to provide any further information that you desire or otherwise to expand upon this comment in any manner that you might request.

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5/30/2002