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M E M O R A N D U M

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To Our Clients and Friends

Re: Bank Secrecy Act Reporting Threshold for Funds Transfers

The Financial Crimes Enforcement Network (“FinCEN”) and the Federal Reserve Board (collectively, the “Agencies”) have issued an advance notice of proposed rulemaking (“ANPR”) regarding the requirement that banks and nonbank financial institutions collect, retain and transmit certain information on funds transfers and transmittals of funds in amounts of \$3,000 or more (the recordkeeping and travel rules). The Agencies request comment on the potential impact of reducing or eliminating the \$3,000 threshold. Comments are due 60 days after publication in the *Federal Register*.

The Agencies request comment from financial institutions on the potential burden to the financial system. The Agencies also request comment from law enforcement agencies on potential benefits and from the public on the burden on consumer practices of lowering or eliminating the \$3,000 threshold. The ANPR notes that the U.S. Treasury Department is considering whether cross-border funds transfers or transmittals of funds should be subject to reporting requirements. Accordingly, they also request comment on the effect on financial institutions of a reporting requirement for cross-border funds transfers in amounts less than \$3,000.

The Agencies’ ANPR can be found on our web site at http://www.schwartzandballen.com/whats_new.html.

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox or Heidi Wicker at (202) 776-0700.