

**FEDERAL RESERVE SYSTEM**

[Docket No. R-0807]

**DEPARTMENT OF THE TREASURY****31 CFR Part 103**

RIN 1506-AA16

**Amendment to the Bank Secrecy Act Regulations Relating to Recordkeeping for Funds Transfers and Transmittals of Funds by Banks and other Financial Institutions**

**AGENCY:** Board of Governors of the Federal Reserve System; Department of the Treasury.

**ACTION:** Joint final rule; delay of effective date.

**SUMMARY:** On January 3, 1995, the Financial Crimes Enforcement Network (FinCEN) of the Department of the Treasury (Treasury) and the Board of Governors of the Federal Reserve System (Board) jointly published a final rule that requires enhanced recordkeeping related to certain funds transfers and transmittals of funds by financial institutions, effective January 1, 1996. (60 FR 220). On August 24, 1995, the Treasury and the Board delayed the effective date of the joint final rule until April 1, 1996, because of the uncertainty by financial institutions as to their responsibilities under the joint final rule with respect to international transfers pending final action on proposed amendments to the rule (60 FR 44144). To ensure that there is an adequate implementation period following final action on the proposed amendments, which are published elsewhere in today's Federal Register, the Treasury and the Board have delayed the effective date of the joint final rule until May 28, 1996.

**EFFECTIVE DATE:** Effective April 1, 1996, the effective date of the joint final rule amending 31 CFR part 103 published on January 3, 1995, at 60 FR 220, is further delayed until May 28, 1996.

**FOR FURTHER INFORMATION CONTACT:**

*Treasury:* Roger Weiner, Assistant Director, 202/622-0400; Stephen R. Kroll, Legal Counsel, 703/905-3534, FinCEN.

*Board:* Louise L. Roseman, Associate Director, 202/452-2789; Jeff Stehm, Manager, Fedwire Section, 202/452-2217; Division of Reserve Bank Operations and Payment Systems; Oliver Ireland, Associate General Counsel, 202/452-3625; or Elaine Boutilier, Senior Counsel 202/452-2418, Legal Division, Board of Governors of the Federal Reserve System. For the

hearing impaired *only*, Telecommunication Device for the Deaf (TDD), Dorothea Thompson, 202/452-3544.

The effective date of the joint final rule amending 31 CFR part 103 published by the Board and Treasury at 60 FR 220 on January 3, 1995, and delayed from January 1, 1996, to April 1, 1996 (60 FR 44144, August 24, 1995), is further delayed until May 28, 1996.

In concurrence:  
By order of the Board of Governors of the Federal Reserve System, March 26, 1996.  
William W. Wiles,  
*Secretary to the Board.*

By the Department of the Treasury, March 26, 1996.  
Stanley E. Morris,  
*Director, Financial Crimes Enforcement Network.*

[FR Doc. 96-7683 Filed 3-29-96; 8:45 a.m.]

**BILLING CODE** Board: 6210-01-P (50%)  
Treasury: 4820-03 (50%)

**FEDERAL RESERVE SYSTEM****12 CFR Part 219**

[Regulation S; Docket No. R-0807]

**Reimbursement for Providing Financial Records; Recordkeeping Requirements for Certain Financial Records**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule; delay of effective date.

**SUMMARY:** On January 3, 1995, the Board of Governors of the Federal Reserve System (Board) published a final rule that established Subparts A and B of Regulation S (60 FR 231). Subpart B cross-references the substantive provisions of a joint rule adopted by the Board and the Department of the Treasury on the same day. The joint rule requires enhanced recordkeeping related to certain funds transfers and transmittals of funds by financial institutions. The Board and the Department of the Treasury have delayed the effective date of the joint final rule until May 28, 1996, to provide financial institutions sufficient time to prepare to comply with the rule pending final action on the proposed amendments, which are published elsewhere in today's issue of the Federal Register. Because Subpart B of Regulation S relies on the joint final rule for its substantive provisions, its effective date is also delayed until May 28, 1996.

**EFFECTIVE DATES:** Effective April 1, 1996, the effective date for 12 CFR part 219, Subpart B, which was added at 60 FR 231 published on January 3, 1995, is further delayed until May 28, 1996.

**FOR FURTHER INFORMATION CONTACT:** Louise L. Roseman, Associate Director, 202/452-2789; Jeff Stehm, Manager, 202/452-2217; Darrell Mak, Financial Services Analyst, 202/452-3223, Fedwire Section, Division of Reserve Bank Operations and Payment Systems; Oliver Ireland, Associate General Counsel, 202/452-3625; or Elaine Boutilier, Senior Counsel 202/452-2418, Legal Division, Board of Governors of the Federal Reserve System. For the hearing impaired *only*, Telecommunication Device for the Deaf (TDD), Dorothea Thompson, 202/452-3544.

The effective date of 12 CFR part 219, Subpart B, added by the Board at 60 FR 231 on January 3, 1995, and delayed from January 1, 1996, to April 1, 1996 (60 FR 44144, August 24, 1995), is further delayed until May 28, 1996.

By order of the Board of Governors of the Federal Reserve System, March 26, 1996.

William W. Wiles,  
*Secretary to the Board.*

[FR Doc. 96-7684 Filed 3-29-96; 8:45 a.m.]

**BILLING CODE** 6210-01-P**DEPARTMENT OF THE TREASURY****31 CFR Part 103**

RIN 1506-AA17

**Amendment to the Bank Secrecy Act Regulations Relating to Orders for Transmittals of Funds by Financial Institutions**

**AGENCY:** Financial Crimes Enforcement Network, Treasury.

**ACTION:** Final rule; delay of effective date.

**SUMMARY:** On January 3, 1995 (60 FR 234), the Financial Crimes Enforcement Network (FinCEN) of the Department of the Treasury (Treasury) and the Board of Governors of the Federal Reserve System (Board) jointly adopted a final rule (the joint rule) requiring financial institutions to collect and retain certain information pertaining to transmittals of funds, and Treasury adopted a final rule (the travel rule) requiring financial institutions to include in transmittal orders certain information collected under the joint rule. On August 24, 1995 (60 FR 44144), Treasury delayed the effective date of the travel rule until April 1, 1996. In response to industry concerns about the application of the

joint rule and the travel rule to transmittals of funds involving foreign financial institutions, Treasury and the Board have amended the joint rule to conform certain of the definitions of the parties to transmittals of funds to definitions found in Article 4A of the Uniform Commercial Code. Treasury has also amended the travel rule: To clarify that the exceptions applicable for the joint rule are also applicable for the travel rule; and to accommodate a compliance concern raised by the banking industry after the close of the comment period. To ensure that there is an adequate implementation period following final action on the proposed amendments, which are published elsewhere in today's Federal Register, the Treasury has delayed the effective date of the final travel rule until May 28, 1996.

**EFFECTIVE DATE:** Effective April 1, 1996, the effective date of the final rule published on January 3, 1995, at 60 FR 234, is further delayed until May 28, 1996.

**FOR FURTHER INFORMATION CONTACT:** Charles D. Klingman, Office of Financial Institutions Policy, at (703) 905-3920, or Joseph M. Myers, Office of Legal Counsel, (703) 905-3590.

Therefore, the effective date of the final rule issued by Treasury and published at 60 FR 234, January 3, 1995, delayed from January 1, 1996 to April 1, 1996 (60 FR 44144, August 24, 1995), is further delayed until May 28, 1996.

Dated: March 26, 1996.

Stanley E. Morris,  
*Director, Financial Crimes Enforcement Network.*

[FR Doc. 96-7680 Filed 3-29-96; 8:45 am]

**BILLING CODE 4820-03-P**

## FEDERAL RESERVE SYSTEM

[Docket No. R-0888]

### DEPARTMENT OF THE TREASURY

#### 31 CFR Part 103

RIN 1506-AA16

#### Amendment to the Bank Secrecy Act Regulations Relating to Recordkeeping for Funds Transfers and Transmittals of Funds by Banks and Other Financial Institutions

**AGENCY:** Department of the Treasury; Board of Governors of the Federal Reserve System.

**ACTION:** Joint final rule.

**SUMMARY:** The Financial Crimes Enforcement Network (FinCEN) of the

Department of the Treasury (Treasury) and the Board of Governors of the Federal Reserve System (Board) jointly have adopted amendments to their final rule that requires enhanced recordkeeping related to certain funds transfers and transmittals of funds by financial institutions (the joint rule). These amendments revise the joint rule's definitions and make technical conforming changes to the substantive provisions of the joint rule to conform the definitions of the parties to an international transfer to their meanings under Article 4A of the Uniform Commercial Code (UCC 4A). The revised definitions will also affect the provisions of a Treasury companion rule, adopted in January 1995, known as the travel rule, which requires financial institutions to include in transmittal orders certain information that must be maintained under the joint rule. Treasury is also publishing amendments to its travel rule. See companion final rule amending the travel rule published elsewhere in today's issue of the Federal Register. The amendments are intended to reduce confusion of banks and nonbank financial institutions as to the applicability of the joint rule and the travel rule and to reduce the cost of complying with the rules' requirements. The Treasury and the Board believe that the amendments will not have a material adverse effect on the rules' usefulness in law enforcement investigations and proceedings. The amendments should not affect a bank's responsibilities under the rules with respect to domestic funds transfers. Furthermore, to ensure that there is an adequate implementation period following final action on the proposed amendments, the Treasury and the Board have delayed the effective date of the joint final rule until May 28, 1996. See the final rule; delay of effective date published elsewhere in today's issue of the Federal Register.

**EFFECTIVE DATE:** May 28, 1996.

**FOR FURTHER INFORMATION CONTACT:**

*Treasury:* Roger Weiner, Assistant Director, 202/622-0400; Stephen R. Kroll, Legal Counsel, 703/905-3534, FinCEN.

*Board:* Louise L. Roseman, Associate Director, 202/452-2789; Darrell Mak, Financial Services Analyst, 202/452-3223; Division of Reserve Bank Operations and Payment Systems; Oliver Ireland, Associate General Counsel, 202/452-3625; or Elaine Boutilier, Senior Counsel 202/452-2418, Legal Division, Board of Governors of the Federal Reserve System. For the hearing impaired *only*,

Telecommunication Device for the Deaf (TDD), Dorothea Thompson, 202/452-3544.

**SUPPLEMENTARY INFORMATION:**

**I. Background**

The statute generally referred to as the Bank Secrecy Act (BSA) (Pub. L. 91-508, codified at 12 U.S.C. 1829b and 1951-1959, and 31 U.S.C. 5311-5330) authorizes the Secretary of the Treasury to require financial institutions to keep records and file reports that the Secretary determines have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings. The authority of the Secretary to administer the BSA has been delegated to the Director of FinCEN. The BSA was amended by the Annunzio-Wylie Anti-Money Laundering Act of 1992 (Pub. L. 102-550), which authorizes the Treasury and the Board to prescribe regulations to require maintenance of records regarding domestic and international funds transfers. The Treasury and the Board are required to promulgate jointly, after consultation with state banking supervisors, recordkeeping requirements for international funds transfers by depository institutions and nonbank financial institutions. The Treasury and the Board are required to consider the usefulness of recordkeeping rules for international funds transfers in criminal, tax, or regulatory investigations or proceedings and the effect of such rules on the cost and efficiency of the payments system. The Treasury and the Board are authorized to promulgate regulations for domestic funds transfers by depository institutions. The Treasury, but not the Board, is authorized to promulgate recordkeeping and reporting requirements for domestic funds transfers by nonbank financial institutions.

In January 1995, the Treasury and the Board jointly published enhanced recordkeeping requirements related to certain funds transfers and transmittals of funds by banks and other financial institutions, in accordance with the BSA (60 FR 220, January 3, 1995). At the same time, the Treasury adopted a companion rule, known as the travel rule, which requires financial institutions to include in transmittal orders certain information that must be retained under the joint rule (60 FR 234, January 3, 1995). The joint rule sets forth definitions of terms used in both rules.

Subsequent to adoption of the joint rule, several large banks as well as bank counsel advised the Treasury and the