

REGULATORY ALERT

**NATIONAL CREDIT UNION ADMINISTRATION
1775 DUKE STREET, ALEXANDRIA, VA 22314**

DATE: December 2009 **NO: 09-RA-16**
TO: Federally Insured Credit Unions
**SUBJ: Guidance on Determining Eligibility for Exemption
from Currency Transaction Reporting Requirements**

Dear Board of Directors,

The Financial Crimes Enforcement Network (FinCEN) recently issued guidance to assist credit unions in determining whether a member is eligible for exemption from currency transaction reporting (CTR) requirements.

The Bank Secrecy Act (BSA) regulations require credit unions to file a CTR on any transaction in currency of more than \$10,000. The regulations also provide credit unions with the ability to exempt certain members from currency transaction reporting. FinCEN issued a final rule amending the CTR exemption requirements (final rule) in December 2008. The final rule, effective January 5, 2009, made the following changes to the previous CTR exemption system:

- Eliminated the designation and annual review requirement for most credit unions;
- Decreased the definition of "frequent reportable transactions" from eight to five transactions;
- Decreased the waiting time for CTR exemption eligibility from twelve months to two months; and
- Eliminated the CTR exemption biennial renewal requirement.

FIN-2009-G003 addresses the most frequently asked questions regarding the CTR exemption process in the following areas:

- Timing of the exemption process;
- Frequency of reportable transactions;
- Corporate structure and reorganization;
- Ineligible businesses;
- Members no longer eligible for exemption;
- Completion of the Designation of Exempt Person form;
- Exemptible transaction accounts; and
- Revocation of an exemption.

This guidance is designed to assist credit unions in understanding the scope and application of the CTR exemption process. The final CTR exemption rule does not relieve credit unions of their separate obligation to conduct suspicious activity monitoring and reporting for CTR exempt members.

A complete copy of FIN-2009-G003 may be obtained at http://www.fincen.gov/statutes_regs/guidance/html/fin-2009-g003.html.

If you have any questions regarding this guidance, please contact your district examiner, regional office, or state supervisory authority.

Sincerely,

/s/

Debbie Matz
Chairman