



Financial Crimes Enforcement Network

A bureau of the U.S. Department of the Treasury

FinCEN news releases are available on the Internet and by e-mail subscription at www.fincen.gov.
For more information, please contact FinCEN's Office of Public Affairs at (703) 905-3770.

FOR IMMEDIATE RELEASE

October 23, 2008

CONTACT: Steve Hudak
703-905-3770

FinCEN Proposes Regulatory Simplification New Organizational Structure Makes Rules Easier to Find and Follow

VIENNA, Va. – The Financial Crimes Enforcement Network (FinCEN), as part of its efforts to make the administration of the Bank Secrecy Act (BSA) more efficient and effective, today announced the publication of a proposal to simplify its rules and regulations by centralizing them in its own new chapter of the Code of Federal Regulations (CFR). The proposal would streamline the BSA regulations into general and industry-specific Parts, ensuring that a financial institution will be able to identify its obligations under the BSA in a more organized and understandable manner.

“Making our rules more accessible, easier to research and easier to understand serves our important anti-money laundering mission by facilitating compliance by financial institutions,” stated FinCEN Director James H. Freis, Jr. “We write rules to protect our financial system and to provide our law enforcement and regulatory partners with critical information. We hope to make our rules easier to find, easier to read, and therefore easier to follow.” This proposal also echoes FinCEN’s similar approach to redesigning its website to offer industry-specific sections.

The CFR codifies federal agency rules published in the Federal Register, and is divided into 50 titles that represent broad areas subject to regulation. Each title is divided into chapters which usually bear the name of the issuing agency. Each chapter is further divided into parts covering specific regulatory areas. The current organizational structure of FinCEN regulations developed over many years, during which Congress expanded FinCEN’s authority to address a very broad range of financial industries. As a result, the regulations are not organized optimally, making them somewhat difficult to navigate, particularly for those industries most recently brought under the scope of the BSA. FinCEN’s regulations are currently included in the CFR as Part 103 in Chapter I under “Title 31, Money and Finance: Treasury.” FinCEN is proposing to reorganize and renumber its regulations into a new tenth *chapter* of Title 31 which would appear as “Title 31 Chapter X – Financial Crimes Enforcement Network.”

The proposal includes two structural changes to the organization of the BSA regulations. FinCEN regulations would be reorganized into a “General Provisions” part and then separate parts for each type of financial institution that has a BSA obligation. Therefore, under this simplified proposal, a compliance official for a Money Services Business, for example, would need only to look under “General Provisions” and then under “Rules for Money Services Businesses” to find pertinent FinCEN regulations. Additionally, FinCEN is proposing a numbering logic to its regulations. By having a uniform numbering system, specific FinCEN regulations will be easier to identify. For example, regulatory requirements for reports of suspicious transactions are proposed to be reorganized as 1010.320. The citation .320 will be universal in the part for each type of financial institution as well. The requirement for reports of suspicious transactions for banks will be 1020.320, for casinos and card clubs will be 1021.320, brokers or dealers in securities 1023.320, etc.

FinCEN is taking a tiered approach to removing the BSA regulations from 31 CFR part 103 and adding them in 31 CFR Chapter X. This notice of proposed rulemaking is the first step in a longer process. FinCEN intends to publish a subsequent notice of proposed rulemaking with any revisions or deletions necessary to move and update the Appendices. This next notice of proposed rulemaking will likely occur after a general review of the comments received on the structure of the proposed Chapter X.

The Notice of Proposed Rulemaking [as submitted to the Federal Register](#) is posted on FinCEN’s website. Due to the length of the document, official publication may be delayed for several days. All affected and other interested parties are encouraged to provide input on the development of the new chapter during the public comment period which will extend for 120 days after publication in the Federal Register. As FinCEN is not proposing any substantive changes to the BSA, FinCEN encourages comments specifically related to the proposed structural changes.

###

The mission of the Financial Crimes Enforcement Network is to safeguard the financial system from the abuses of financial crime, including terrorist financing, money laundering, and other illicit activity. We achieve this mission by: administering the Bank Secrecy Act; supporting law enforcement, intelligence, and regulatory agencies through sharing and analysis of financial intelligence; building global cooperation with our counterpart financial intelligence units; and networking people, ideas, and information.