



# Department of the Treasury Financial Crimes Enforcement Network

## Guidance

**FIN-2006-G006**

**Issued: February 3, 2006**

**Subject: Registration and De-Registration of Money Services  
Businesses**

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### *Money Services Business Guidance on Registration and De-Registration*

This guidance concerns Bank Secrecy Act requirements under current regulations for the initial registration, and registration renewal, of money services businesses. It also describes policies regarding de-registration and ceasing to be a money services business.

Concurrent with the issuance of this guidance, the Financial Crimes Enforcement Network is undertaking a broader review of the regulatory framework for money services businesses. This review likely will result in further changes and additional regulatory guidance being issued, as appropriate. In the meantime, pending review of the registration regulations, the following guidance is offered to provide clarity concerning registration and de-registration of money services businesses.

#### **I. Initial Registration and Registration Renewal (2-Year Update)**

##### **Money Services Business Initial Registration**

Persons<sup>1</sup> defined as money services businesses (31 C.F.R. § 103.11(uu)), generally are required to register with the Financial Crimes Enforcement Network whether or not they are licensed as money services businesses by any state.<sup>2</sup> Initial registration is accomplished by filing FinCEN Form 107, Registration of Money Services Business, and

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<sup>1</sup> A person includes an individual, a corporation, or a partnership, among other things. See 31 C.F.R. § 103.11(z).

<sup>2</sup> See 31 U.S.C. § 5330 and 31 C.F.R. § 103.41. Under 31 C.F.R. § 103.11(uu), the definition of money services business includes each agent, agency, branch, or office within the United States doing business, whether or not on a regular basis or as an organized business concern, in one or more of the following capacities: (1) currency dealer or exchanger; (2) check casher; (3) issuer of traveler's checks, money orders or stored value; (4) seller of traveler's checks, money orders or stored value; (5) money transmitter, regardless of the amount of money transfer services offered; and (6) the U.S. Postal Service, except with respect to the sale of postage or philatelic products. A person who does not offer one or more of the financial services specified in (1) through (4) above in an amount greater than \$1,000 in currency or monetary or other instruments for any person on any day in one or more transactions is not included in the definition of money services business.

checking box 1a, initial registration. At the present time, the following money services businesses are not required to register:

- A business that is a money services business solely because it serves as an agent of another money services business;
- A business that is a money services business solely as an issuer, seller, or redeemer of stored value; and
- The U.S. Postal Service and agencies of the United States, of any State, or of any political subdivision of any State.

In addition, currently a branch office of a money services business is not required to file its own registration form.

Banks and persons registered with, and regulated or examined by, the Securities and Exchange Commission or the Commodity Futures Trading Commission are not defined as money services businesses, and are therefore, not required to register. *See* 31 C.F.R. § 103.11 (uu).

### **Money Services Business Registration Renewal (2-Year Update)**

Bank Secrecy Act regulations required the initial registration of existing money services businesses by December 31, 2001. These money services businesses were required to renew their registrations by December 31, 2003 if they continued to be money services businesses. Thereafter, they must renew their registrations every 2 years by December 31<sup>st</sup> for as long as they continue to meet the definition of money services business.

Money services businesses established after December 31, 2001 are required to register initially by the end of 180 days after the day they are established as money services businesses and to renew their registrations at the end (by December 31<sup>st</sup>) of the two-calendar year period beginning with the calendar year in which they were initially required to be registered. Thereafter, registration renewal is required every 2 years by December 31<sup>st</sup> for as long as the business continues to meet the definition of a money services business. Registration renewal is accomplished by filing FinCEN Form 107, Registration of Money Services Business, and checking box 1b, renewal. Examples of initial registration and registration renewal deadlines, based on various timeframes for the establishment of a money services business, are set forth in the Appendix.

### **II. Money Services Business – De-Registration**

There is currently no provision in our regulations or procedures to allow a money services business to de-register or otherwise be removed from the Money Services Business Registration List even if the business is no longer providing services that require registration as a money services business. At the present time, the only option for a business that has ceased to operate as a money services business, or that has registered incorrectly, is to refrain from renewing its registration.

One purpose of this guidance is to clarify that, as of the date of this guidance, we will omit from the posted Money Services Business Registration List any persons who do not renew their registrations by the renewal deadlines, and will deem that business to be unregistered as a money services business.<sup>3</sup>

Any money services business that should have renewed its registration, but fails to renew its registration by the renewal deadline, will no longer be deemed “registered.” The consequences for failing to register or renew registration as a money services business can include civil and criminal penalties for violation of the Bank Secrecy Act and implementing regulations. (31 C.F.R. 103.41(e))

### **III. Policies and Procedures for Ceasing to be a Money Services Business**

In general, a business that develops and implements written policies and procedures that would exclude it from the definition of money services business would cease to be, and would not be treated as, a money services business for purposes of Bank Secrecy Act requirements relevant to money services businesses under 31 C.F.R. 103. The date the business begins to implement such written policies and procedures is the effective date on which the business ceases to be a money services business. Also, if such a money services business did not register, and has implemented written policies and procedures to cease being defined as a money services business, it should not register for its past performance as a money services business.

For example, the definition of money services business includes a person engaged in the business of a check casher, subject to the definitional threshold.<sup>4</sup> A business that cashes checks in amounts sufficient to reach the definitional threshold of more than \$1000 returned to a customer in one day is a money services business, and must comply with all Bank Secrecy Act requirements applicable to money services businesses, including the requirement to register (31 C.F.R. 103.41). A money services business must be registered for the initial registration period and each renewal period (31 C.F.R. 103.41(b)(2)).

However, a check casher, which initially registered as a money services business because it engaged in check cashing at a level that met the regulatory definition for a money services business, but has subsequently implemented written policies and procedures to no longer offer check cashing services that reach the \$1,000 definitional threshold for a check casher, has ceased to be a money services business.<sup>5</sup> This is the case even if the business continues to cash checks, so long as it does not cash checks in an amount that triggers the definitional threshold for a check casher. Assuming the business offers no other services that would cause it to be treated as a money services business, the business

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<sup>3</sup> The posted Money Services Business Registration List has been cumulative since December 31, 2001.

<sup>4</sup> A person cashing checks in an amount greater than \$1,000 in currency or monetary or other instruments for any person on any day in one or more transactions is considered to be a check casher in the money services business definition. See 31 CFR 103.11(uu)(2)

<sup>5</sup> In addition, if a business crosses the \$1,000 definitional threshold on a one-time basis, that one-time action, if not repeated, does not make the party in question a check casher, subject to all the applicable requirements.

would not be held responsible for compliance with Bank Secrecy Act requirements applicable to money services businesses under 31 C.F.R 103. Such a business should not renew its money services business registration when it expires at the end of the business' initial registration period or any subsequent renewal periods.<sup>6</sup>

For further information regarding money services business registration and renewal requirements, please call the Regulatory Helpline at 800-949-2732.

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<sup>6</sup> Although the business is still currently registered, it no longer meets the definition of a money services business, and a bank is no longer required to continue to treat the business as a money services business customer. (*See* FinCEN Ruling 2005-3.)

## Appendix: Examples of Initial Registration and Registration Renewal Deadlines for Money Services Businesses

<b>Date Established as Money Services Business</b>	<b>Initial Registration Deadline*</b>	<b>First Renewal of Registration Deadline</b>	<b>Future Renewal Deadlines – every 24 months by 12/31</b>
180 days or more before 12/31/2001	December 31, 2001	December 31, 2003	December 31, 2005, 2007, etc.
1/15/2002	July 14, 2002	December 31, 2003	December 31, 2005, 2007, etc.
10/15/2002	April 13, 2003	December 31, 2004	December 31, 2006, 2008, etc.
1/15/2003	July 14, 2003	December 31, 2004	December 31, 2006, 2008, etc.
10/15/2003	April 12, 2004**	December 31, 2005	December 31, 2007, 2009, etc.
1/15/2004	July 13, 2004**	December 31, 2005	December 31, 2007, 2009, etc.
10/15/2004	April 13, 2005	December 31, 2006	December 31, 2008, 2010, etc.
1/15/2005	July 14, 2005	December 31, 2006	December 31, 2008, 2010, etc.
10/15/2005	April 13, 2006	December 31, 2007	December 31, 2009, 2011, etc.

\* This assumes the date of initial registration is on the last possible (180<sup>th</sup>) day to be in compliance. If initial registration occurs prior to this 180-day deadline, calculation of the first renewal and future renewal deadlines is based on the actual date on which initial registration occurred.

\*\* The calendar year 2004 is a leap year, and as a result, February 29, 2004 should be counted when calculating the initial registration deadline.