

U.S. Department of the Treasury
Financial Crimes Enforcement Network

FinCENnews

FinCEN's web site is located at: <http://www.fincen.gov>



FOR IMMEDIATE RELEASE
December 8, 2004

(703) 905-3770

FinCEN Issues Guidance to MSBs on Anti-Money Laundering Program Requirements for Dealing With Foreign Agents and Foreign Counterparts

The Financial Crimes Enforcement Network (FinCEN) today issued [Interpretative Guidance](#) clarifying that a Money Services Business must establish, as a part of its anti-money laundering program, appropriate risk-based policies, procedures and controls sufficient to address the risks of money laundering and the financing of terrorism posed by its relationship with foreign agents or foreign counterparties. The Guidance will be published in the [Federal Register](#) and become part of a new appendix to FinCEN's regulations that will contain FinCEN's interpretive rules.

Since April 2002, Money Services Businesses have been required to establish anti-money laundering programs to guard against money laundering and terrorist financing. Today's Guidance specifically requires that, to the extent a Money Services Business uses relationships with foreign agents and counterparties to facilitate the movement of funds into or out of the United States, the Money Services Business' anti-money laundering program must reasonably address the risks of money laundering and the financing of terrorism posed those relationships with foreign agents or foreign counterparties. The Guidance applies only to Money Services Businesses required to register with FinCEN, as these are the entities most likely to use foreign agents or foreign counterparties in their operations.

“This Interpretive Guidance should clarify Money Services Businesses anti-money laundering program requirements when it comes to having proper risk-based policies and procedures in place when dealing with foreign agents or counterparties,” said William J. Fox, Director of FinCEN. “It is critical that MSBs understand the importance of meeting this requirement in order to protect the international gateways to the U.S. financial system.”

The Guidance requires that a Money Services Business' anti-money laundering program be capable of detecting the abuse of products and services offered through foreign agents and counterparties by establishing procedures for: (1) conducting due diligence on foreign agents and counterparties; (2) risk-based monitoring of foreign agents and counterparties; and (3) taking corrective action or terminating relationships, as appropriate.

Money Services Businesses will be expected to achieve full compliance with the Guidance within six (6) months from the date of this announcement.

###