(2) *Use of information.* Information received by a financial institution or association of financial institutions pursuant to this section shall not be used for any purpose other than:

(i) Detecting, identifying and reporting on activities that may involve terrorist or money laundering activities; or

(ii) Determining whether to establish or maintain an account, or to engage in a transaction.

(d) *Safe harbor from certain liability*—(1) *In general.* A financial institution or association of financial institutions that engages in the sharing of information pursuant to this section shall not be liable to any person under any law or regulation of the United States, under any constitution, law, or regulation of any State or political subdivision thereof, or under any contract or other legally enforceable agreement (including any arbitration agreement), for such sharing, or for any failure to provide notice of such sharing, to an individual, entity, or organization that is identified in of such sharing.

(2) *Limitation.* Paragraph (d)(1) of this section shall not apply to a financial institution or association of financial institutions to the extent such institution or association fails to comply with paragraph (b) or (c) of this section.

(e) *Information sharing between financial institutions and the federal government*—(1) *Terrorist activity.* If, as a result of information sharing pursuant to this section, a financial institution suspects that an individual, entity, or organization is involved in, or may be involved in terrorist activity, such information should be reported to FinCEN:

(i) By calling the toll-free Financial Institutions Hotline (1–866–556–3974); and

(ii) If appropriate, by filing a Suspicious Activity Report pursuant to subpart B of this part or other applicable regulations.

(2) *Money laundering.* If as a result of information sharing pursuant to this section, a financial institution suspects that an individual, entity, or organization is involved in, or may be involved in money laundering, such information should generally be reported by filing a Suspicious Activity Report in accordance with subpart B of this part or other applicable regulations. If circumstances indicate a need for the expedited reporting of this information, a financial institution may use the Financial Institutions Hotline (1–866–556–3974).

(f) *No limitation on financial institution reporting obligations.* Nothing in this subpart affects the obligation of a financial institution to file a Suspicious Activity Report pursuant to subpart B of this part or any other applicable regulations, or to otherwise directly contact a federal agency concerning individuals or entities suspected of engaging in money laundering or terrorist activities.

(g) *Revocation or suspension of certification*—(1) *Authority of federal regulator or FinCEN.* Notwithstanding any other provision of this section, a federal regulator of a financial institution, or FinCEN in the case of a financial institution that does not have a federal regulator, may revoke or suspend a certification provided by a financial institution pursuant to paragraph (b)(2) of this section if the concerned federal regulator or FinCEN, as appropriate, determines that the financial institution has failed to comply with the requirements of paragraph (c) of this section. Nothing in this paragraph (g)(1) shall be construed to affect the authority of any federal regulator with respect to any financial institution.

(2) *Effect of revocation or suspension.* A financial institution with respect to which a certification has been revoked or suspended may not engage in information sharing under the authority of this section during the period of such revocation or suspension.

Subpart I—Anti-Money Laundering Programs

§ 103.120 Anti-money laundering program requirements for financial institutions regulated by a Federal functional regulator or a self-regulatory organization, and casinos.

(a) *Definitions.* For purposes of this section:

(1) *Financial institution* means a financial institution defined in 31 U.S.C.

5312(a)(2) or (c)(1) that is subject to regulation by a Federal functional regulator or a self-regulatory organization.

(2) *Federal functional regulator* means:

(i) The Board of Governors of the Federal Reserve System;

(ii) The Office of the Comptroller of the Currency;

(iii) The Board of Directors of the Federal Deposit Insurance Corporation;

(iv) The Office of Thrift Supervision;

(v) The National Credit Union Administration;

(vi) The Securities and Exchange Commission; or

(vii) The Commodity Futures Trading Commission.

(3) *Self-regulatory organization:*

(i) Shall have the same meaning as provided in section 3(a)(26) of the Securities Exchange Act of 1934 (15 U.S.C. 78c(a)(26)); and

(ii) Means a ''registered entity'' or a ''registered futures association'' as provided in section 1a(29) or 17, respectively, of the Commodity Exchange Act (7 U.S.C. 1a(29), 21).

(4) *Casino* has the same meaning as provided in §103.11(n)(5).

(b) *Requirements for financial institutions regulated only by a Federal functional regulator, including banks, savings associations, and credit unions.* A financial institution regulated by a Federal functional regulator that is not subject to the regulations of a self regulatory organization shall be deemed to satisfy the requirements of 31 U.S.C. 5318(h)(1) if it implements and maintains an anti-money laundering program that complies with the regulation of its Federal functional regulator governing such programs.

(c) *Requirements for financial institutions regulated by a self-regulatory organization, including registered securities broker-dealers and futures commission merchants.* A financial institution regulated by a self-regulatory organization shall be deemed to satisfy the requirements of 31 U.S.C. 5318(h)(1) if:

(1) The financial institution complies with any applicable regulation of its Federal functional regulator governing the establishment and implementation of anti-money laundering programs; and

(2)(i) The financial institution implements and maintains an anti-money laundering program that complies with the rules, regulations, or requirements of its self-regulatory organization governing such programs; and

(ii) The rules, regulations, or requirements of the self-regulatory organization have been approved, if required, by the appropriate Federal functional regulator.

(d) *Requirements for casinos.* A casino shall be deemed to satisfy the requirements of 31 U.S.C. 5318(h)(1) if it implements and maintains a compliance program described in §103.64.

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§103.125 Anti-money laundering programs for money services businesses.

(a) Each money services business, as defined by §103.11(uu), shall develop, implement, and maintain an effective anti-money laundering program. An effective anti-money laundering program is one that is reasonably designed to prevent the money services business from being used to facilitate money laundering and the financing of terrorist activities.

(b) The program shall be commensurate with the risks posed by the location and size of, and the nature and volume of the financial services provided by, the money services business.

(c) The program shall be in writing, and a money services business shall make copies of the anti-money laundering program available for inspection to the Department of the Treasury upon request.

(d) At a minimum, the program shall:

(1) Incorporate policies, procedures, and internal controls reasonably designed to assure compliance with this part.

(i) Policies, procedures, and internal controls developed and implemented under this section shall include provisions for complying with the requirements of this part including, to the extent applicable to the money services business, requirements for:

(A) Verifying customer identification;

(B) Filing reports;

(C) Creating and retaining records; and

(D) Responding to law enforcement requests.