

Revision of the CTR Exemption Rule Effective January 5, 2009

Completion of FinCEN Form 110

To assist depository institutions in completing the DOEP, FinCEN Form 110, FinCEN is providing the following guidance for items affected by this final rule.

- Depository institutions should disregard any references to biennial renewals that appear on the face of FinCEN Form 110 (specifically, Part I, Item 1b, “Biennial renewal”; Part II, Item 11; Part III, Item 19, second sentence; and Part V), as well as in the instructions to the form (specifically in the second paragraph under the heading “When and where to file”; the second sentence under the heading “Specific Instructions” that begins, “Additionally, with regard to non-listed businesses. * * *”); and the instruction to Item 11 under the heading “Exempt Person Information.”
- Depository institutions should disregard Part II, Item 10a, “Bank” and “Government agency/Government authority.”

Specific questions may be directed to the FinCEN Helpdesk by calling 800-949-2732, and selecting option 3.

FinCEN Form 110 Designation of Exempt Person

General Information

The Bank Secrecy Act and its implementing regulations require banks to file currency transaction reports on transactions in currency of more than \$10,000. The regulations also permit a bank to exempt certain customers from currency transaction reporting in accordance with 31 CFR 103.22.

Banks are the only type of financial institutions that may exempt customers from CTR filing requirements. The term bank is defined in 31 CFR 103.11(c); and includes savings and loan associations, thrift institutions, and credit unions.

The customers that the bank may exempt are called "exempt persons". An exempt person may be a bank, government agency/government authority, listed company, listed company subsidiary, eligible non-listed business, or payroll customer, as defined in 31 CFR 103.22.

A bank may, but is not required to, use this form to notify the Treasury that the bank has revoked the designation of a customer as an exempt person.

FinCEN encourages banks to use the exemption procedure to the fullest extent. FinCEN also reminds banks of their continuing obligation to monitor for, and report suspicious activity with respect to transactions of all customers, including currency transactions conducted by exempt persons.

When and where to file

Any bank that wishes to designate a customer as an exempt person must file FinCEN Form 110, Designation of Exempt Person, with the IRS Detroit Computing Center no later than 30 days after the first transaction to be exempted.

The biennial renewal must be filed by March 15 of the second calendar year following the year of the initial designation, and every other March 15 thereafter. If the bank missed filing the biennial renewal timely, contact DCC at 800-800-2877 for instructions.

Send your completed form to:

IRS Detroit Computing Center
Attn: Designation of Exempt Person
P.O. Box 33112
Detroit, MI 48232-0112

General Instructions

1. This form can be e-filed through the Bank Secrecy Act E-filing System. Go to <http://bsaeffiling.fincen.treas.gov/index.jsp> to register. This form is also available for download on the Financial Crimes Enforcement Network's Web site at www.fincen.gov, or may be ordered by calling the IRS Forms Distribution Center at (800) 829-3676.

2. Complete the form in accordance with specific instructions for each item. Unless there is a specific instruction to the contrary, leave blank any items that do not apply.

3. Do not include supporting documents.

4. Enter all dates in MM/DD/YYYY format where MM=month, DD=day, and YYYY=year. Precede any single number with a zero, i.e., 01,02, etc.

5. List all U.S. telephone numbers with area code first and then the seven-digit phone number, using the format (XXX) XXX-XXXX.

6. Enter identifying numbers starting from left to right. Do not include spaces, dashes, or other punctuation. Identifying numbers include social security number (SSN), employer identification number (EIN), and individual taxpayer identification number (ITIN).

7. Enter all Post Office ZIP Codes from left to right with at least the first five numbers, or with all nine (ZIP + 4) if known.

8. Addresses: Enter the permanent street address, city, two-letter state or territory abbreviation used by the U.S. Postal Service and ZIP Code (ZIP+4 if known) of the exempt person or entity. A post office box number should not be used, unless no other address is available. Also enter any apartment number, suite number, or road or route number. If a P.O. Box is used for an entity, enter the street name, suite number, and road or route number.

Specific Instructions

Part I Filing Information

Item 1--Type of filing. Check only one of the four boxes. The bank will file an initial designation just once, marking item 1a to signify the initial designation. Additionally, with regard to non-listed businesses (item 10e checked) or payroll customers (item 10f checked), the bank must file the form biennially to renew the exempt status of these customers, marking item 1b to signify the biennial renewal. If amending a report (1c checked) complete the amended report in its entirety.

Item 2--Effective date of the exemption. For initial designation, enter the date of the first transaction to be exempted.

-For biennial renewal, the effective date of the exemption will be the same date the bank used in the "effective date of the exemption box" when the initial designation was filed.

-For exemptions amended, if the effective date of the exemption is not being amended, the date entered should be the same date the bank used in the "effective date of the exemption box" when the initial designation was made; or if the effective date of the exemption is being amended, enter the date of the first transaction to be exempted.

-If the DOEP form is used to revoke an exemption, enter the day after the last transaction to be exempted.

Part II Exempt Person Information

Item 3--Legal name of the exempt person. Enter the full legal name of the exempt person as it is shown on the charter or other document creating the entity. For exempt persons that are sole proprietorship, enter the first and last name of the proprietor.

Item 4--Doing business as (DBA). If applicable, enter the separate DBA name of the exempt person.

Item 5, 6, 7 and 8--Address. Enter the permanent address of the business location of the exempt person. For exempt persons doing business at more than one physical location, enter the local headquarters address or local address of the exempt person. For sole proprietorship, enter the business address of the sole proprietorship rather than the home address of the sole proprietor, unless they are the same.

Item 9--EIN or SSN. Enter the EIN of the exempt person. If a sole proprietorship does not have an EIN, enter the social security number (SSN).

Item 10--Type of exempt person. Check only one of the six boxes. See 31 CFR 103.22(a).

Item 11--Change in control. Complete this item only

if you checked Item 1b to indicate that you are filing a biennial renewal (biennial renewals only required for item 10e and 10f).

Part III Filer Information

Item 12--Name of bank. Enter the bank's full legal name.

Item 13, 14, 15 and 16--Address. Enter the bank's headquarters address.

Item 17--EIN. Enter the bank's employer identification number (EIN).

Item 18--Primary regulator. Check only one of the following six boxes, OCC, FDIC, FRS, OTS, NCUA, or IRS.

Item 19--Affiliated banks. A parent bank holding company or one of its bank subsidiaries may make the designation of exempt person on behalf of all bank subsidiaries of the holding company so long as the designation lists each bank subsidiary that will treat the customer as an exempt person. If you are making such a designation, check the box in item 19. List the name and address of each bank subsidiary by completing Part III of an additional Designation of Exempt Person form for each bank subsidiary. Complete the additional forms by entering the bank's name and address in Items 12 through 18, and copy the information from Part IV, items 21 through 24 of your Designation of Exempt Person form onto each additional form. Submit the additional forms by attaching them to your Designation of Exempt Person form. The database will accept up to a total of 20 entries.

Only one signature is required for this form

Part IV Signature

Item 20--Signature. An authorized official of the bank shall sign the form. (If item 1a, c, or d is checked)

Item 21--Print name. Enter the name of the bank official who signed the form.

Item 22--Title. Enter the title of the bank official who signed the form.

Item 23--Date of signature. Enter the current date the form was signed.

Item 24--Telephone number. Enter the phone number of the bank official who signed the form.

Part V Biennial Renewal Certification

When filing a biennial renewal, a bank must certify that it has applied as necessary, but at least annually, a system of monitoring the transactions in currency for suspicious activity. If the box in item 19 is checked, the bank granting the exemption is responsible for completing its own monitoring and due diligence in granting the exemption. The attached list of affiliated banks is provided only to reflect the other financial institutions that may recognize this exemption.

Item 25--Signature. An authorized official of the bank shall sign the certification. (Item 1b is checked)

Item 26--Print name. Enter the name of the bank official who signed the certification.

Item 27--Title. Enter the title of the bank official who signed the certification.

Item 28--Date of signature. Enter the date the certification was signed.

Item 29--Telephone number. Enter the phone number of the bank official who signed the certification.

Paperwork Reduction Act Notice: The purpose of this form is to provide an effective means for banks and depository institutions to exempt eligible customers from currency transaction reporting. This report is required by law, pursuant to 31 CFR 103.22. Federal law enforcement and regulatory agencies, including the U.S. Department of Treasury and other authorized authorities, may use and share this information. You are not required to provide the requested information unless a form displays a valid OMB control number. Public reporting and recordkeeping burden for this form is estimated to average 70 minutes per response, and includes time to gather and maintain information for the required report, review the instructions, and complete the information collection. The record retention period is five years. Send comments regarding this burden estimate, including suggestions for reducing the burden, to Financial Crimes Enforcement Network, Attention: Paperwork Reduction Act, P.O. Box 39, Vienna, VA 22183-0039.