

FinCEN Webinar:
Definitions and Other
Regulations Relating to Money
Services Businesses

Thursday, September 15, 2011

3:00 PM – 4: 00 PM ET

Informational Webinar
“Definitions and Other Regulations
Relating to
Money Services Businesses”

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September 15, 2011



Discussion Points

- Summary of MSB definitions Final Rule
- Intent and Rationale behind the rule
- Regulatory expectations



MSB Categories



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MSB Categories

- Dealer in foreign exchange
- Check casher
- Issuer or seller of traveler's checks or money orders
- **Provider of prepaid access**
- Money transmitter
- U.S. Postal Service
- **Seller of prepaid access**

Prepaid Access will be the subject of another webinar and not discussed here.



MSB Rulemaking History

- MSB definitions established August 20, 1999 (64 FR 45438)
- Proposed Rule to amend the MSB definitions published May 12, 2009 (74 FR 22129)
- Final Rule to amend MSB definitions published July 21, 2011 (76 FR 43585)



2011 Final Rule Amends MSB Regulations by:

- Revising MSB definitions to reflect more clearly the underlying activity
- Ensuring certain foreign-located entities are “MSBs”
- Incorporating past guidance and rulings into the rule
- Separating prepaid access provisions from other categories of MSB



An MSB is NOT:

- A bank or foreign bank
- A person registered with/ regulated or examined by, the SEC or the CFTC or their foreign equivalents
- A natural person engaging in otherwise MSB activity on an infrequent basis not for gain or profit



Dealer in foreign exchange

Definition and name revised to clarify that:

- Transactions often implicate more than just "currency"
- Transactions involve non-U.S. currency in part or completely



Check Casher



- Accepts checks as defined in the Uniform Commercial Code (Article 3 –Negotiable Instruments)
- In return for currency or a combination of currency and monetary instruments



Issuer/Seller of Money Orders/Travelers Checks

Issuers and sellers are defined by the amount of money orders and travelers checks sold.



Money Transmitter

A person that provides money transmission services. The term “money transmission services” means the acceptance of currency, funds, or other value that substitutes for currency from one person *and the transmission of* currency, funds, or other value that substitutes for currency to another location or person by any means.

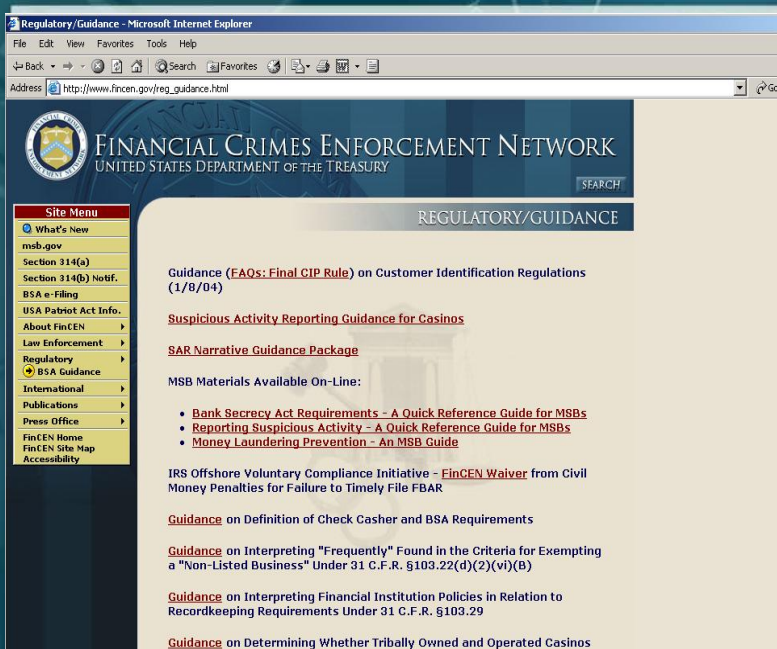


Foreign-located MSBs

A business not physically located in the U.S. but that conducts business in the U.S. through U.S. customers may be deemed an “MSB” and subject to the MSB rules.



Information and Guidance



FinCEN's Web Site:

- Consumer Alerts
- Frequently Asked Questions
- Interpretive Rulings
- Industry Regulations
- SAR Activity Reviews

FinCEN's Regulatory Helpline:

1-800-949-2732

Financial Institutions Hotline:

(866) 556 3974



Questions and Answers

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