



# Financial Crimes Enforcement Network

A bureau of the U.S. Department of the Treasury

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## **FinCEN Moves to Streamline Mutual Fund BSA Requirements Proposal Would Require Mutual Funds to File CTRs**

VIENNA, Va. – The Financial Crimes Enforcement Network (FinCEN) issued a [Notice of Proposed Rulemaking \(NPRM\)](#) that would replace a mutual fund requirement to file IRS/FinCEN Form 8300 – *Report of Cash Payments Over \$10,000 Received in a Trade or Business* – with a requirement to file FinCEN Form 104, *Currency Transaction Report (CTR)*, which is standard for financial institutions. Both forms document a transaction in currency above \$10,000, but differ in some technical aspects.

“If adopted this proposal will bring the mutual fund industry into greater conformity with the rest of the financial industry, which currently files CTRs,” said FinCEN Director James H. Freis, Jr. “The proposal would also free mutual funds from having to report applicable transactions involving certain negotiable instruments by moving to the CTR filing requirement and reduce paperwork for mutual funds and help FinCEN more directly identify suspicious activity involving money laundering and fraud.”

To make the change, FinCEN is proposing to include mutual funds within the general definition of “financial institution” in rules implementing the Bank Secrecy Act (BSA). By being defined as such, they will be subject to the scope of rules that require the filing of CTRs and the creation, retention, and transmittal of records or information on transmittals of funds and other specified transactions. Mutual funds are already subject to many similar regulatory requirements and BSA program rules. This change will serve to streamline their reporting requirements and make the information they provide more quickly available, and formatted more consistently, for use by law enforcement investigators.

The definition of “currency” for purposes of the CTR rule is different from and less inclusive than the definition of “currency” in the rule for Form 8300, therefore, mutual funds would only be required to file CTRs on cash transactions. The \$10,000 threshold applies to transactions conducted during a single business day. Under the CTR rule, a financial institution must treat

multiple transactions as a single transaction if the financial institution has knowledge that the transactions are conducted by or on behalf of the same person.

The proposed rule as published in the Federal Register is available on [www.FinCEN.Gov](http://www.FinCEN.Gov). Comments are due to FinCEN by September 3, 2009.

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*The mission of the Financial Crimes Enforcement Network is to safeguard the financial system from the abuses of financial crime, including terrorist financing, money laundering, and other illicit activity. We achieve this mission by: administering the Bank Secrecy Act; supporting law enforcement, intelligence, and regulatory agencies through sharing and analysis of financial intelligence; building global cooperation with our counterpart financial intelligence units; and networking people, ideas, and information.*