

FinCEN Webinar:

Definitions and Other Regulations Relating to Prepaid Access

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Office of Regulatory Policy

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3:00 PM – 4:00 PM ET

Discussion Points

Amendment to the Bank Secrecy Act Regulations – Definitions and Other Regulations Relating to Prepaid Access

- Scope
- Participants
- New Requirements
- Future Applications



New products / services



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**



Provider

- By agreement
- or
- Party with principal oversight and control



Seller

- Sell prepaid access offered under a prepaid program that can be used before verification of customer identification

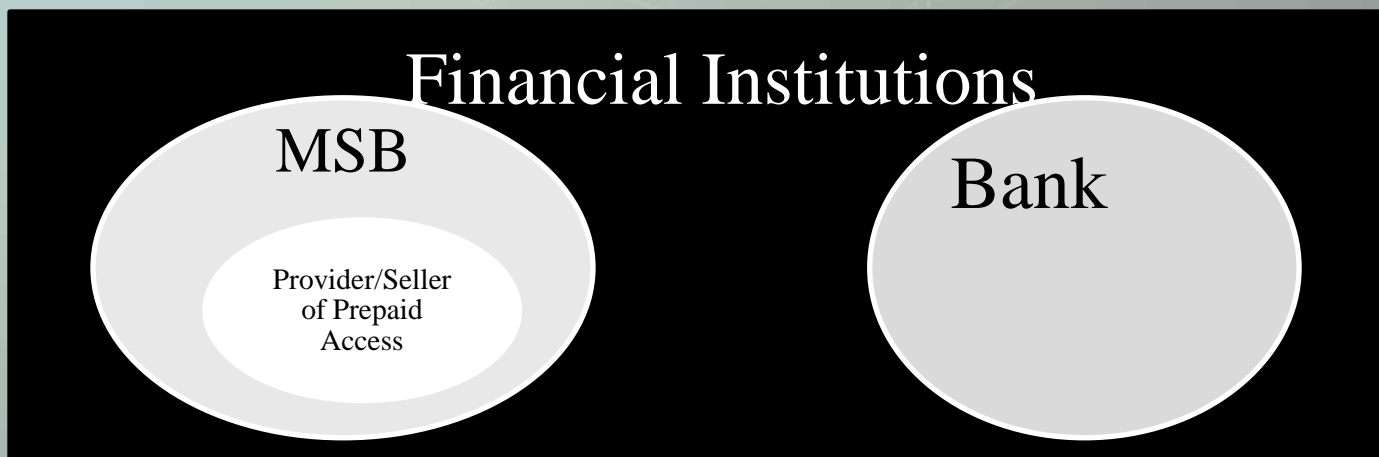
OR

- Sell prepaid access (including closed loop prepaid access) > \$10,000 per person, per day



MSBs and Banks-Mutually Exclusive

A bank can't be a "provider or seller of prepaid access" under the Rule.



Prepaid Program: In/Out

Covered Programs

- Closed loop > \$2k
- Open loop >\$1k
- Open loop with international capabilities, no minimum
- Open loop with P to P capabilities, no minimum
- Open loop with non-depository loads, no minimum

Non-Covered Programs

- Closed loop \leq \$2k
- Government funded
- Health/Dependent/HRA funded
- Open loop \leq \$1k with no international capabilities, P to P capabilities, or loads from non-depository sources
- Employment wages with no international capabilities, P to P capabilities, or loads from non-depository source



Regulatory Requirements

Providers and Sellers must:

- Develop an AML program
- Report Suspicious Activity
- Collect and verify customer information
- Maintain transactional records

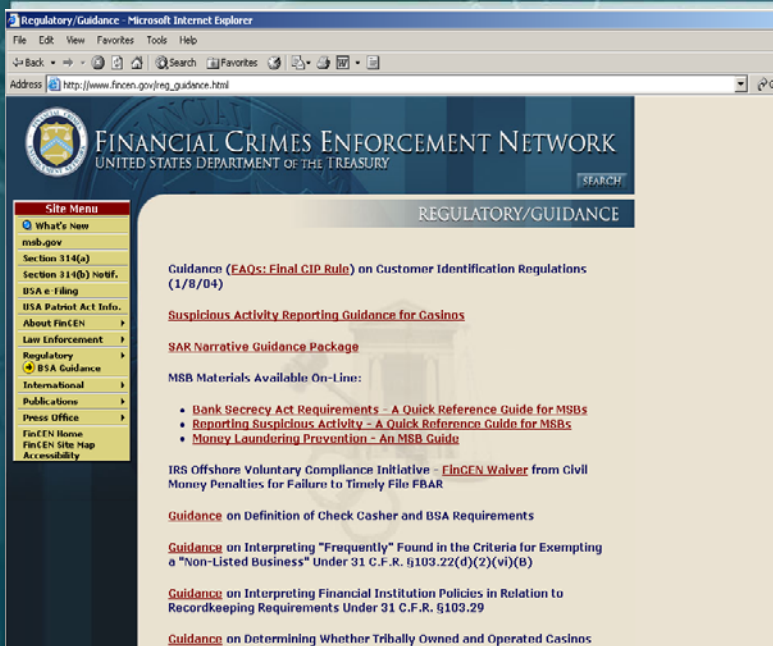
Providers must: register as an MSB on Form 107



Developing policy and regulation for emerging technologies



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

- Send an instant message of any questions you have.
- We will answer questions submitted during the presentation as well.
- Do *not* email questions to FinCEN's webinar mailbox – we cannot see them.

