

April 5, 2024

Submitted via Federal E-rulemaking Portal (www.regulations.gov)

Jimmy L. Kirby, Jr., Deputy Director
Financial Crimes Enforcement Network
P.O. Box 39
Vienna, VA 22183

**RE: Request for Comment; Agency Information Collection Activities
Docket Number FINCEN-2024-0003; OMB Control Nos. 1506-0004, 1506-0005, and 1506-0064**

Dear Deputy Director Kirby:

These comments are submitted on behalf of INFiN, A Financial Services Alliance (“INFiN”), in response to the above-referenced Request for Comment (“Request”), issued by the Financial Crimes Enforcement Network (“FinCEN”) regarding the renewal, without change, of existing information collection requirements relating to reports of transactions in currency (“CTRs”). INFiN appreciates the opportunity to comment in response to the Request. We strongly support FinCEN’s efforts to fulfill its statutory responsibility to protect against financial crimes including money laundering and terrorist financing, and to implement anti-money laundering (“AML”) compliance procedures.

INFiN is a national trade association representing approximately 350 companies operating 8,000 consumer financial service provider locations throughout the U.S. INFiN members offer a wide array of financial products and services, including check cashing, money orders, electronic bill payments, domestic and international money transfers, ATM access, government benefit and payroll payments, tax preparation, prepaid cards, deposit acceptance services, small-dollar loans, and numerous other financial and consumer services. INFiN members are classified as money services businesses (“MSBs”). They are subject to the Bank Secrecy Act’s anti-money laundering provisions and CTR filing requirements. INFiN members have for decades served millions of Americans, including individuals that have relationships with banks as well as those that do not.

INFiN’s concern with respect to FinCEN’s Request is focused on the need to increase CTR reporting thresholds as a means of decreasing the cost and risk of BSA/AML compliance on MSBs. Related to the issue of the volume of CTRs that MSBs are required to file is our ongoing concern regarding bank account terminations, or “de-risking” of MSBs resulting from BSA/AML regulatory risk.

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MSBs are Critical in Protecting the U.S. Financial System

Over the years, the role of MSBs in preventing financial fraud and terrorist financing has been repeatedly recognized by FinCEN and others. In its November 10, 2014, Statement on Providing Banking Services to Money Services Businesses, FinCEN reiterated: “MSBs play an important role in a transparent financial system, particularly because they often provide financial services to people less likely to use traditional banking services.” In 2015, Under Secretary for Terrorism and Financial Intelligence David Cohen stated:

Both here in the United States and abroad, MSBs provide essential financial services, including to low-income people who are less likely or unable to make use of traditional banking services. More than a quarter of American households use non-bank financial institutions like MSBs, to do everything from paying their bills and cashing checks to supporting their family members abroad Financial transparency is a goal we work toward every day in this building, since the more transparent the financial system is, the harder it becomes for illicit actors – states, terrorists, or criminals – to camouflage themselves in the legitimate economy But what would happen in a world without MSBs? Those customers, many of whom are unable to access traditional banking services, might seek to do business through less regulated channels. And then we would lose access to crucial information that regulators and law enforcement depend on every day to prevent the abuse of the financial system. Other customers would turn to riskier, less predictable service providers, with little recourse for when something goes wrong. (Opening Remarks at the U.S. Treasury Roundtable on Financial Access for Money Services Businesses, January 13, 2015).

The role of MSBs in serving consumers, and in protecting our nation’s financial system, is no less critical today.

Notwithstanding Their Critical Role, MSBs Have Suffered from De-Risking Tied to Perceived BSA/AML Risks to Financial Institutions

Despite their often-recognized value in combating terrorist financing and other financial crimes, MSBs have experienced a very high incidence of bank account terminations, or “de-risking”, resulting from category-based decisions about MSB services, as opposed to individual, case-by-case customer risk evaluations. The very unfortunate result of these terminations is that the customers of these businesses are often forced to find other ways to

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conduct their financial transactions, including using unregulated, underground operators. Bank account terminations, and the threat to MSBs and their customers, continue to this day. We respectfully submit that in evaluating BSA/AML compliance requirements and updating BSA regulations, FinCEN must continually focus on ensuring the availability of banking relationships for MSBs.

Updating CTR Filing Requirements

The \$10,000 threshold that triggers the requirement of filing a CTR for currency received in a trade or business was established in 1972. In the intervening years the \$10,000 amount has not been adjusted for inflation. The impact of not adjusting the \$10,000 threshold has led to an increased burden on MSBs as they are required to file more CTRs, and in turn has resulted in more risk to financial institutions that provide bank accounts. INFiN respectfully suggests that the currency reporting threshold be increased to account for inflation, and that the threshold be adjusted on a predictable schedule to continue to account for inflation.

Minimizing the Burden of Collection of Information Will Benefit MSBs and Consumers

The burden imposed on MSBs by BSA/AML requirements must be measured in terms of both time and cost. The time-related burden is the time it takes for an MSB's employees to comply with the Rules. The cost burden includes the operational costs of compliance. These costs are significant and increase each year. Of note with respect to INFiN members is that these costs cannot be passed on to consumers where transaction costs are capped by law. Thus, there is a disproportionate impact on these businesses. Conversely, in a non-rate capped environment, the increased costs when passed on to consumers have a disproportionate impact on low- and moderate-income consumers, and risks driving them into an unregulated environment and farther from the financial mainstream.

Raising the transaction size thresholds for recordkeeping will result in a decrease in the number of customers and transactions for which MSBs will be required to collect and verify information. The decreased workload because of decreased reporting would benefit both MSBs and consumers.

Conclusion

On behalf of INFiN, thank you again for the opportunity to comment in response to the Request. Please do not hesitate to contact us if you would like to discuss any aspect of this letter.

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Respectfully submitted,

A handwritten signature in black ink, appearing to read "E. P. D'Alessio". The signature is written in a cursive, flowing style.

Edward P. D'Alessio
Executive Director