



Financial Crimes Enforcement Network

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

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FinCEN Streamlines Mutual Fund BSA Requirements Mutual Funds to File Currency Transaction Reports

VIENNA, Va. — The Financial Crimes Enforcement Network (FinCEN) today submitted for publication in the *Federal Register* a [final rule](#) amendment that replaces 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.

“This amendment brings 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. “Moving to the CTR filing requirement will reduce unnecessary paperwork for mutual funds, helping FinCEN and mutual funds focus attention on the information most needed to fight money laundering, fraud, and other financial crime.”

The amendment places 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 will now 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.

Additionally, as a result of this amendment, mutual funds will now be required to comply with certain recordkeeping obligations. Mutual funds already are subject to record retention requirements under the Investment Company Act of 1940 and the Securities Exchange Act of 1934, as well as other BSA-related retention obligations. Accordingly, FinCEN anticipates that these additional requirements will have a *de minimus* impact on mutual funds. Commenters did, however, request that FinCEN allow for an extended period to implement changes to their transaction reporting and recordkeeping systems before having to comply with the new recordkeeping requirements. FinCEN has determined that extending the compliance date with respect to the new recordkeeping requirements to 270 days after the rule is published in the *Federal Register* is appropriate.

The rule as submitted to the *Federal Register* is available on www.FinCEN.Gov.

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The mission of the Financial Crimes Enforcement Network is to enhance U.S. national security, deter and detect criminal activity, and safeguard financial systems from abuse by promoting transparency in the U.S. and international financial systems.