

REGULATORY ALERT

DATE May 1, 1996:

NO.: 96-RA-2

TO ALL FEDERALLY INSURED CREDIT UNIONS:

SUBJECT: REPORTING CURRENCY TRANSACTIONS

The Treasury Department announced an interim rule that changed the previous requirement for credit unions and banks to file forms reporting every currency transaction in excess of \$10,000. Such transactions will no longer need to be reported if the transactions involve the following:

- Another bank (including credit unions) in the United States;
- Any federal, state, or local government (including the District of Columbia, U.S. territories and possessions, and various tribal government authorities);
- Any listed corporation whose stock is traded on the New York Stock Exchange and/or the American Stock Exchange (excluding stock listed on the Emerging Company Marketplace of the American Stock Exchange), is designated as a NASDAQ National Market Security listed on the NASDAQ Stock Market (excluding stock issued under the separate NASDAQ Small-Cap Issues heading), and any consolidated subsidiary of a listed corporation that files combined federal income tax returns.

Treasury estimates that by exempting these entities from routine reporting, there will be 2 million fewer forms filed in the first year alone. Credit unions and banks will now be able to make a one-time filing of the standard transaction report form simply to designate an exempted entity. The new rule will continue to require that all apparently suspicious currency transactions - even those of newly exempted entities - be reported on the Suspicious Activity Report (SAR). The SAR form was distributed via Letter to Credit Unions No. 96-CU-3, dated March 1996.

The new rule is effective May 1, 1996 and will be considered on an interim basis for 90 days during which all interested parties are invited to offer comments. Following the 90-day comment period, a final rule will be prepared.

Sincerely,

Karl T. Hoyle
Executive Director