

ALERTS

FinCEN Issues Final Rules Relating to MSB Definitions

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On July 21, 2011, the U.S. Department of the Treasury's Financial Crimes Enforcement Network ("FinCEN") issued a final rule (the "MSB Rule"), revising the regulations regarding money services businesses ("MSBs"). The final rule clarifies which activities subject a person to the Bank Secrecy Act's ("BSA") rules pertaining to MSBs and subjects certain foreign-located MSBs with a U.S. presence to the BSA rules. In particular, the MSB Rule (i) provides that certain foreign-located persons engaging in MSB activities within the United States are subject to the BSA rules; (ii) updates the MSB definitions to reflect past guidance and administrative rulings, current business operations, evolving technologies and merging lines of business; (iii) expands the definition of a dealer in foreign exchange to include forex traders, unless they are functionally regulated or examined by the Commodity Futures Trading Commission ("CFTC"); and (iv) separates the provisions dealing with stored value from those dealing with issuers, sellers, and redeemers of traveler's checks and money orders.

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