

U.S. DEPARTMENT OF THE TREASURY

Press Center

Treasury Department Issues USA PATRIOT Act Guidance on Section 352

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The Department of the Treasury today released an interim final rule that provides time for further study of certain industries for the purpose of establishing anti-money laundering programs, as required under section 352 of the USA PATRIOT Act. The interim rule is effective until Treasury completes its study of these industries and issues final rules applicable to them.

The industries subject to further study and regulation include certain insurance companies; investment companies other than mutual funds; loan and finance companies; dealers in precious metals, stones, or jewels; commodity pool operators and commodity trading advisors; businesses engaged in vehicle sales; persons involved in real estate closings and settlements; pawnbrokers; travel agencies; telegraph companies; private bankers; state-chartered, non-depository trust companies; non-federally insured credit unions; and private banks.

Section 352 of the PATRIOT Act required all financial institutions, as defined by the Bank Secrecy Act, to establish an anti-money laundering program within six months of the passage of the PATRIOT Act. The Department determined that individual regulations applicable to each category of financial institution were necessary to provide adequate guidance to the diverse collection of industries affected, many of which have not previously been subject to anti-money laundering regulation. In April, the Department issued regulations requiring a significant portion of the financial services sector to establish anti-money laundering programs and deferring application of the statute to the remaining categories for six months. The regulation issued today extends the deferral to allow the Department to complete its work and issue appropriate regulations. For the identified financial institutions, compliance with section 352 is not required until the Department issues final and effective regulations.

The Department will publish regulations called for by the PATRIOT Act within the next six months. This includes not only regulations called for by section 352 of the Act, but also other provisions, such as section 326, which requires financial institutions to develop procedures for identifying and verifying the identity of account holders.

