

# Consumer Info.

8. Q: **What special requirements exist concerning purchases with currency of bank checks or drafts, cashier's checks, money orders, or traveler's checks?**

A: No financial institution is permitted to issue or sell a bank check or draft, cashier's check, money order, or traveler's check for \$3,000 or more in currency unless it obtains and records certain detailed information about the purchaser(s) and the transaction. If bank policy permits the cash purchase of these items for account holders, in most cases, the required information will have already been recorded and no additional information will be requested. However, there may be situations when the following information must be obtained before the bank can issue the item. If the purchaser is an account holder, the bank will require the purchaser's name and a valid driver's license. If the purchaser is not an account holder, this information, plus the Social Security/Tax I.D. number and birth date, will be required.

9. Q: **If I have additional questions, where do I go for answers?**

A: Please contact your local office of the Internal Revenue Service.

## It's the Law Large Currency Transaction Reporting and Record Keeping

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## Here's What It's All About

Both federal and state regulations have been designed to make it tougher for drug traffickers to dispose of large amounts of cash. We are required by law to ask for personal identification when you make certain financial transactions. We may even be required to ask for information that we did not request in the past.

This pamphlet is designed to explain the regulations regarding large currency transaction reporting and record keeping.

### 1. Q: **What are the applicable laws?**

A: In 1970 Congress enacted the Bank Secrecy Act to require all financial institutions (including banks, savings and loan associations and credit unions) to report large currency transactions and to keep records of certain kinds of financial transactions. Since then, Congress has enacted the Money Laundering Control Act and other laws, and the Secretary of the Treasury has adopted regulations implementing these laws.

### 2. Q: **What is the purpose of these laws?**

A: Congress determined that these reports and records are very useful in criminal, tax and regulatory investigations and proceedings.

### 3. Q: **What kinds of large currency transactions are reported?**

A: The financial institution must report each transaction in currency of more than \$10,000. Multiple currency transactions must be reported as a single transaction if the financial institution has knowledge that they result in either cash in or cash out totaling more than \$10,000 during any one business day. Financial institutions may be required to report lower transactions under certain circumstances.

### 4. Q: **How does a financial institution make the required report?**

A: The institution fills out and submits to the Internal Revenue Service (IRS) FinCen Form 104 – Currency Transaction Report (CTR).

### 5. Q: **What kind of information is reported on the CTR?**

A: The CTR requires information about the identity of the individual(s) who conducted the transaction, including the conductor's name, street address, Social Security number and birth date. If an individual is conducting business on behalf of another individual or organization, the bank must provide the name, address, Social Security/Tax I.D. number, occupation/business (and birth date, if an individual) of the other person or organization. The client accounts affected by the transaction, if applicable, the type of transaction that occurred, the

amount and date of the transaction, and the financial institution where the transaction took place are also reported.

### 6. Q: **What verification of identity is required on the CTR?**

A: The regulations specifically require the financial institution to examine an identifying document such as a driver's license, passport, or in some cases, a bank signature card.

### 7. Q: **May transactions be structured so as to avoid reporting?**

A: No. In October 1986 Congress passed a law making it a federal crime to do certain things for the purpose of evading the reporting requirements:

- 1) causing or attempting to cause a domestic financial institution to fail to file a CTR;
- 2) causing or attempting to cause a domestic financial institution to file a CTR containing a material omission or misstatement of fact; or
- 3) structuring any transaction with one or more domestic financial institutions.

Because of this law, please do not ask bank personnel to give you any advice concerning large currency transactions. Violations of the law or regulations can result in serious criminal and civil penalties.