

REGULATORY ALERT

NATIONAL CREDIT UNION ADMINISTRATION
1775 DUKE STREET, ALEXANDRIA, VA 22314

DATE: March 2004

NO.: 04-RA-06

TO: All Credit Unions

SUBJECT: Currency Transaction Report Form

ENCL: (1) Currency Transaction Report Form
(2) FinCEN Press Release

Dear Board of Directors:

The Bank Secrecy Act requires credit unions to file a Currency Transaction Report (CTR) Form 104 on each single or multiple deposit, withdrawal, exchange of currency or other payment or transfer which involves currency of more than \$10,000.

At the request of law enforcement agencies, the CTR Form has been revised to better track the movement of foreign currency. Credit unions are encouraged to immediately adopt the revised CTR as the old form will not be accepted after August 31, 2004.

The revised CTR contains two changes to Part II. Line 26a has been added to report foreign cash in, and line 27a has been added to report foreign cash out.

Enclosed is a copy of the Financial Crime Enforcement Network's (FinCEN) press release, and a revised CTR with instructions. An electronic copy of the revised CTR is also available on NCUA's website, <http://www.ncua.gov>. A fill-in Adobe Acrobat version is posted on the FinCEN web site at http://www.fincen.gov/fin104_ctr.pdf.

Should you have any questions about the revisions to the CTR form or the Bank Secrecy Act, please do not hesitate to contact your NCUA Regional Office or State Supervisory Authority.

Sincerely,

/s/

Dennis Dollar
Chairman

Enclosures

Multiple Persons

Complete applicable parts below if box 1b on page 1 is checked

Part I Person(s) Involved in Transaction(s)**Section A--Person(s) on Whose Behalf Transaction(s) Is Conducted**

2 Individual's last name or entity's name			3 First name		4 Middle initial
5 Doing business as (DBA)					6 SSN or EIN
7 Address (number, street, and apt. or suite no.)					8 Date of birth / / MM DD YYYY
9 City	10 State 	11 ZIP code	12 Country code (if not U.S.) 	13 Occupation, profession, or business	
14 If an individual, describe method used to verify identity: a ☐ Driver's license/State I.D. b ☐ Passport c ☐ Alien registration					
d ☐ Other _____ e Issued by: _____ f Number: _____					

Section B--Individual(s) Conducting Transaction(s) (if other than above).

15 Individual's last name			16 First name		17 Middle initial
18 Address (number, street, and apt. or suite no.)					19 SSN
20 City	21 State 	22 ZIP code	23 Country code (if not U.S.) 	24 Date of birth / / MM DD YYYY	
25 If an individual, describe method used to verify identity: a ☐ Driver's license/State I.D. b ☐ Passport c ☐ Alien registration					
d ☐ Other _____ e Issued by: _____ f Number: _____					

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14 If an individual, describe method used to verify identity: a ☐ Driver's license/State I.D. b ☐ Passport c ☐ Alien registration					
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Section B--Individual(s) Conducting Transaction(s) (if other than above).

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18 Address (number, street, and apt. or suite no.)					19 SSN
20 City	21 State 	22 ZIP code	23 Country code (if not U.S.) 	24 Date of birth / / MM DD YYYY	
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d ☐ Other _____ e Issued by: _____ f Number: _____					

Suspicious Transactions

This Currency Transaction Report (CTR) should NOT be filed for suspicious transactions involving \$10,000 or less in currency OR to note that a transaction of more than \$10,000 is suspicious. Any suspicious or unusual activity should be reported by a financial institution in the manner prescribed by its appropriate federal regulator or BSA examiner. (See the instructions for Item 37.) If a transaction is suspicious and in excess of \$10,000 in currency, then both a CTR and the appropriate Suspicious Activity Report form must be filed.

Should the suspicious activity require immediate attention, financial institutions should telephone 1 800 800 CTRS. An Internal Revenue Service (IRS) employee will direct the call to the local office of the IRS Criminal Investigation Division (CI). This toll free number is operational Monday through Friday, from approximately 9:00 am to 6:00 pm Eastern Standard Time. If an emergency, consult directory assistance for the local IRS CID Office.

General Instructions

Who Must File. Each financial institution (other than a casino, which instead must file FinCEN Form 103, and the U.S. Postal Service for which there are separate rules) must file FinCEN Form 104 (formerly 4789) (CTR) for each deposit, withdrawal, exchange of currency, or other payment or transfer, by, through, or to the financial institution which involves a transaction in currency of more than \$10,000. Multiple transactions must be treated as a single transaction if the financial institution has knowledge that (1) they are by or on behalf of the same person, and (2) they result in either currency received (Cash In) or currency disbursed (Cash Out) by the financial institution totaling more than \$10,000 during any one business day. For a bank, a business day is the day on which transactions are routinely posted to customers' accounts, as normally communicated to depository customers. For all other financial institutions, a business day is a calendar day.

Generally, financial institutions are defined as banks, other types of depository institutions, brokers or dealers in securities, money transmitters, currency exchangers, check cashers, and issuers and sellers of money orders and traveler's checks. Should you have questions, see the definitions in 31 CFR Part 103.

When and Where To File. File this CTR by the 15th calendar day after the day of the transaction with the:

IRS Detroit Computing Center
ATTN: CTR
P.O. Box 33604
Detroit, MI 48232 5604

Keep a copy of each CTR for five years from the date filed.

A financial institution may apply to file the CTRs magnetically. To obtain an application to file magnetically, write to the:

IRS Detroit Computing Center
ATTN: CTR Magnetic Media Coordinator
P.O. Box 33604
Detroit, MI 48232 5604

Identification Requirements. All individuals (except employees of armored car services) conducting a reportable transaction(s) for themselves or for another person, must be identified by means of an official document(s). Acceptable forms of identification include a driver's license, military and military/dependent identification cards, passport, state issued identification card, cedular card (foreign), non resident alien identification cards, or any other identification document

or documents, which contain name and preferably address and a photograph and are normally acceptable by financial institutions as a means of identification when cashing checks for persons other than established customers.

Acceptable identification information obtained previously and maintained in the financial institution's records may be used. For example, if documents verifying an individual's identity were examined and recorded on a signature card when an account was opened, the financial institution may rely on that information. In completing the CTR, the financial institution must indicate on the form the method, type, and number of the identification. Statements such as "known customer" or "signature card on file" are not sufficient for form completion.

Penalties. Civil and criminal penalties are provided for failure to file a CTR or to supply information or for filing a false or fraudulent CTR. See 31 U.S.C. 5321, 5322 and 5324.

For purposes of this CTR, the terms below have the following meanings:

Currency. The coin and paper money of the United States or any other country, which is circulated and customarily used and accepted as money.

Person. An individual, corporation, partnership, trust or estate, joint stock company, association, syndicate, joint venture or other unincorporated organization or group.

Organization. Entity other than an individual.

Transaction in Currency. The physical transfer of currency from one person to another. This does not include a transfer of funds by means of bank check, bank draft, wire transfer or other written order that does not involve the physical transfer of currency.

Negotiable Instruments. All checks and drafts (including business, personal, bank, cashier's and third party), money orders, and promissory notes. For purposes of this CTR, all traveler's checks shall also be considered negotiable instruments whether or not they are in bearer form.

Foreign exchange rates. If completing items 26a/27a, use the exchange rate in effect for the business day of the transaction. The source of the exchange rate that is used will be determined by the reporting institution.

Specific Instructions

Because of the limited space on the front and back of the CTR, it may be necessary to submit additional information on attached sheets. Submit this additional information on plain paper attached to the CTR. Be sure to put the individual's or entity's name and identifying number (items 2, 3, 4, and 6 of the CTR) on any additional sheets so that if it becomes separated, it may be associated with the CTR.

Item 1a. Amends Prior Report. If this CTR is being filed because it amends a report filed previously, check Item 1a. Staple a copy of the original CTR to the amended one, complete Part III fully and only those other entries which are being amended.

Item 1b. Multiple Persons. If this transaction is being conducted by more than one person or on behalf of more than one person, check Item 1b. Enter information in Part I for one of the persons and provide information on any other persons on the back of the CTR.

Item 1c. Multiple Transactions. If the financial institution has knowledge that there are multiple transactions, check Item 1c.

PART I - Person(s) Involved in Transaction(s)

Section A **must** be completed. If an individual conducts a transaction on his own behalf, complete Section A and leave Section "B" BLANK. If an individual conducts a transaction on his own behalf and on behalf of another person(s), complete Section "A" for each person and leave Section "B" BLANK. If an individual conducts a transaction on behalf of another person(s), complete Section "B" for the individual conducting the transaction, and complete Section "A" for each person on whose behalf the transaction is conducted of whom the financial institution has knowledge.

Section A. Person(s) on Whose Behalf Transaction(s) Is Conducted. See instructions above.

Items 2, 3, and 4. Individual/Organization Name. If the person on whose behalf the transaction(s) is conducted is an individual, put his/her last name in Item 2, first name in Item 3, and middle initial in Item 4. If there is no middle initial, leave item 4 BLANK. If the transaction is conducted on behalf of an entity, put its name in Item 2 and leave Items 3 and 4 BLANK.

Item 5. Doing Business As (DBA). If the financial institution has knowledge of a separate "doing business as" name, enter it in Item 5. For example, Smith Enterprise DBA MJ's Pizza.

Item 6. SSN/ITIN or EIN. Enter the Social Security Number (SSN) or Individual Taxpayer Identification Number (ITIN) or Employer Identification Number (EIN) of the person or entity identified in Item 2. If none, write NONE.

Items 7, 9, 10, 11, and 12. Address. Enter the permanent address including ZIP Code of the person identified in Item 2. Use the U.S. Postal Service's two letter state abbreviation code. A P.O. Box should not be used by itself, and may only be used if there is no street address. If a P.O. Box is used, the name of the apartment or suite number, road or route number where the person resides must also be provided. If the address is outside the U.S., provide the street address, city, province or state, postal code (if known), and the two letter country code. For country code list go to www.fincen.gov/reg_bsaforms.html or telephone 1 800 949 2732 and select option number 5. If U.S., leave item 12 blank.

Item 8. Date of Birth. Enter the date of birth. Eight numerals must be inserted for each date. The first two will reflect the month, the second two the day, and the last four the year. A zero (0) should precede any single digit number. For example, if an individual's birth date is April 3 1948, Item 8 should read 04 03 1948.

Item 13. Occupation, Profession, or Business. Identify the occupation, profession, or business of the person on whose behalf the transaction was conducted. For example: secretary, shoe salesman, carpenter, attorney, housewife, restaurant, liquor store, etc. Do not use non specific terms such as merchant, self employed, businessman, etc.

Item 14. If an Individual, Describe Method Used To Verify Identity. If an individual conducts the transaction(s) on his/her own behalf, his/her identity must be verified by examination of an acceptable document (see **General Instructions**). For example, check box a if a driver's license is used to verify an individual's identity, and enter the state that issued the license and the number in items e and f. If the transaction is conducted by an individual on behalf of another individual not present or on behalf of an entity, enter N/A in Item 14.

Section B. Individual(s) Conducting Transaction(s) (if other than above). Financial institutions should enter as much information as is available.

However, there may be instances in which Items 15-25 may be left BLANK or incomplete. If Items 15-25 are left BLANK or incomplete, check one or more of the boxes provided to indicate the reasons.

Example: If there are multiple transactions that, if only when aggregated, the financial institution has knowledge the transactions exceed the reporting threshold, and therefore, did not identify the transactor(s), check box **d** for Multiple Transactions.

Items 15, 16, and 17. Individual's Name. Complete these items if an individual conducts a transaction(s) on behalf of another person. For example, if John Doe, an employee of XYZ Grocery Store, makes a deposit to the store's account, XYZ Grocery Store should be identified in Section A and John Doe should be identified in section B.

Items 18, 20, 21, 22, and 23. Address. Enter the permanent street address including ZIP Code of the individual. (See the instructions for Items 7 and 9 through 12.) Enter country code if not U.S. (Reference item 12).

Item 19. SSN/ITIN. If the individual has a Social Security Number, or Individual Taxpayer Identification Number, enter it in Item 19. If the individual does not have an SSN/ITIN, enter NONE.

Item 24. Date of Birth. Enter the individual's date of birth. (See the instructions for Item 8.)

Item 25. If an Individual, Describe Method Used To Verify Identity. Enter the method used to identify the individual's identity. (See **General Instructions** and the instructions for Item 14.)

PART II - Amount and Type of Transaction(s)

Complete Part II to identify the type of transaction(s) and the amount(s) involved.

Items 26 and 27. Total Cash In/Total Cash Out. In the spaces provided, enter the total amount of currency received (Total Cash In) or total currency disbursed (Total Cash Out) by the financial institution. If foreign currency is exchanged, use the U.S. dollar equivalent on the day of the transaction (See "Foreign exchange rates"), and complete item 26a or 27a, whichever is appropriate.

If less than a full dollar amount is involved, increase that figure to the next highest dollar. For example, if the currency totals \$20,000.05, show the total as \$20,001.00.

Items 26a and 27a. Foreign cash in/Foreign cash out. If foreign currency is exchanged, enter the amount of foreign currency in items 26a and 27a. Report country of origin in item 29.

Item 28. Date of Transaction. Insert eight numerals for each date. (See instructions for Item 8.)

Item 29. Foreign Country. If items 26a and/or 27a are completed indicating that foreign currency is involved, check Item 29 and identify the country. If multiple foreign currencies are involved, check box 36 and identify the additional country(s) and/or currency(s) involved.

Determining Whether Transactions Meet the Reporting Threshold.

Only cash transactions that, if alone or when aggregated, exceed \$10,000 should be reported on the CTR. Transactions shall not be offset against one another.

If there are both Cash In and Cash Out transactions that are reportable, the amounts should be considered separately and not aggregated. However, they may be reported on a single CTR.

If there is a currency exchange, it should be aggregated separately with each of the Cash In and Cash Out totals.

Example 1: A person deposits \$11,000 in currency to his savings account and withdraws \$3,000 in currency from his checking account. The CTR should be completed as follows:

Cash In \$11,000 and no entry for Cash Out. This is because the \$3,000 transaction does not meet the reporting threshold.

Example 2: A person deposits \$11,000 in currency to his savings account and withdraws \$12,000 in currency from his checking account. The CTR should be completed as follows:

Cash In \$11,000, Cash Out \$12,000. This is because there are two reportable transactions. However, one CTR may be filed to reflect both.

Example 3: A person deposits \$6,000 in currency to his savings account and withdraws \$4,000 in currency from his checking account. Further, he presents \$5,000 in currency to be exchanged for the equivalent in French Francs. The CTR should be completed as follows:

Cash In \$11,000 and no entry for Cash Out. This is because in determining whether the transactions are reportable, the currency exchange is aggregated with each of the Cash In and Cash Out amounts. The result is a reportable \$11,000 Cash In transaction. The total Cash Out amount is \$9,000, which does not meet the reporting threshold. Therefore, it is not entered on the CTR.

Example 4: A person deposits \$6,000 in currency to his savings account and withdraws \$7,000 in currency from his checking account. Further, he presents \$5,000 in currency to be exchanged for the equivalent in French francs. The CTR should be completed as follows:

Cash In \$11,000, Cash Out \$12,000. This is because in determining whether the transactions are reportable, the currency exchange is aggregated with each of the Cash In and Cash Out amounts. In this example, each of the Cash In and Cash Out totals exceed \$10,000 and must be reflected on the CTR.

Items 30-33. Check the appropriate item(s) to identify the following type of transaction(s):

- 30. Wire Transfer(s)
- 31. Negotiable Instrument(s) Purchased
- 32. Negotiable Instrument(s) Cashed
- 33. Currency Exchange(s)

Item 34. Deposits/Withdrawals. Check this item to identify deposits to or withdrawals from accounts, e.g. demand deposit accounts, savings accounts, time deposits, mutual fund accounts, or any other account held at the financial institution. Enter the account number(s) in Item 35.

Item 35. Account Numbers Affected (if any). Enter the account numbers of any accounts affected by the transactions that are maintained at the financial institution conducting the transaction(s). If necessary, use additional sheets of paper to indicate all of the affected accounts.

Example 1: If a person cashes a check drawn on an account held at the financial institution, the CTR should be completed as follows:

Indicate negotiable instrument(s) cashed and provide the account number of the check.

If the transaction does not affect an account, make no entry.

Example 2: A person cashes a check drawn on another financial institution. In this instance, negotiable instrument(s) cashed would be indicated, but no account at the financial institution has been affected. Therefore, Item 35 should be left BLANK.

Item 36. Other (specify). If a transaction is not identified in Items 30-34, check Item 36 and provide an additional description. For example, a person presents a check to purchase "foreign currency." Also list multiple foreign currencies from item 29.

PART III - Financial Institution Where Transaction(s) Take Place

Item 37. Name of Financial Institution and Identity of Regulator or BSA Examiner. Enter the financial institution's full legal name and identify the regulator or BSA examiner, using the following codes:

Regulator or BSA Examiner	CODE
Comptroller of the Currency (OCC).....	1
Federal Deposit Insurance Corporation (FDIC).....	2
Federal Reserve System (FRS).....	3
Office of Thrift Supervision (OTS).....	4
National Credit Union Administration (NCUA).....	5
Securities and Exchange Commission (SEC).....	6
Internal Revenue Service (IRS).....	7
U.S. Postal Service (USPS).....	8
Commodity Futures Trading Commission (CFTC).....	9
State Regulator.....	10

Items 38, 40, 41, and 42. Address. Enter the street address, city, state, and ZIP Code of the financial institution where the transaction occurred. If there are multiple transactions, provide information of the office or branch where any one of the transactions has occurred.

Item 39. EIN or SSN. Enter the financial institution's EIN. If the financial institution does not have an EIN, enter the SSN of the financial institution's principal owner.

Item 43. Routing (MICR) Number. If a depository institution, enter the routing (Magnetic Ink Character Recognition (MICR)) number.

SIGNATURE

Items 44 and 45. Title and signature of Approving Official. The official who reviews and approves the CTR must indicate his/her title and sign the CTR.

Item 46. Date of Signature. The approving official must enter the date the CTR is signed. (See the instructions for Item 8.)

Item 47. Preparer's Name. Type or print the full name of the individual preparing the CTR. The preparer and the approving official may not necessarily be the same individual.

Items 48 and 49. Contact Person/Telephone Number. Type or print the name and telephone number of an individual to contact concerning questions about the CTR.

Paperwork Reduction Act Notice. The requested information is useful in criminal, tax, and regulatory investigations and proceedings. Financial institutions are required to provide the information under 31 U.S.C. 5313 and 31 CFR Part 103, commonly referred to as the Bank Secrecy Act (BSA). The BSA is administered by the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN). You are not required to provide the requested information unless a form displays a valid OMB control number.

The time needed to complete this form will vary depending on individual circumstances. The estimated average time is 19 minutes. If you have comments concerning the accuracy of this time estimate or suggestions for making this form simpler, you may write to the **Financial Crimes Enforcement Network, P. O. Box 39, Vienna, VA 22183**. Do not send this form to this office. Instead, see **When and Where to File** in the instructions.

U.S. Department of the Treasury
Financial Crimes Enforcement Network

FinCENnews

FinCEN's web site is located at: <http://www.fincen.gov>



FOR IMMEDIATE RELEASE
December 1, 2003

(703) 905-3770

FinCEN Revises CTR Form

The Financial Crimes Enforcement Network (FinCEN) has modified the Currency Transaction Report, IRS Form 4789, to facilitate the recording of the movement of foreign currency. The revised form, FinCEN Form 104, is now available and can be used effective today. The change was made in response to requests from law enforcement users of CTR information.

The change has added two currency reporting entries to Part II, line item 26a to report foreign cash in, and line item 27a to report foreign cash out.

To facilitate the transition to the new form, the prior version of the CTR, Form 4789, will be accepted until August 31, 2004. FinCEN Form 104 is available on the FinCEN website at http://www.fincen.gov/reg_bsaforms.html and will also be posted on FinCEN's website for money services businesses at <http://www.msb.gov/forms/forms.html>.

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