

MEMO# 24617

October 15, 2010

FinCEN Grants Additional Time to Comply with The Travel Rule

[24617]

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TO: AML COMPLIANCE WORKING GROUP No. 14-10
TRANSFER AGENT ADVISORY COMMITTEE No. 62-10 RE: FINCEN GRANTS ADDITIONAL TIME TO COMPLY WITH THE TRAVEL RULE

We are pleased to inform you that the Financial Crimes Enforcement Network (“FinCEN”) has extended the date by which mutual funds need to comply with the Travel Rule (31 C.F.R. § 103.33) until April 10, 2011. [1] FinCEN does not anticipate granting a further extension.

The Travel Rule subjects mutual funds to requirements relating to the creation and retention of records for transmittals of funds in amounts that equal or exceed \$3,000, and the requirement to transmit information on these transactions to other financial institutions in the payment chain. [2] In July, the ICI requested a three month extension of the compliance date based on: (1) the systems “freeze” that occurs for varying periods between December and March; (2) the substantial systems changes that certain transfer agents will need to make; and (3) the impact of changes that are already affecting mutual fund transaction and recordkeeping systems as a result of other new regulatory requirements. [3]

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endnotes

[1] Final Rule, Extension of Compliance Date, Amendment to the Bank Secrecy Act Regulations; Defining Mutual Funds as Financial Institutions, 75 Fed. Reg. 63382 (Oct. 15, 2010), available at <http://edocket.access.gpo.gov/2010/pdf/2010-25886.pdf>.

[2] See [Memorandum](#) to AML Compliance Working Group No. 5-10 and Memorandum to Transfer Agent Advisory Committee No. 17-10, dated April 14, 2010 [24233].

[3] See [Memorandum](#) to AML Compliance Working Group No. 10-10 and Memorandum to Transfer Agent Advisory Committee No. 35-10, dated July 16, 2010 [24423].

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