

**MEMO# 2410**

December 21, 1990

## **IRS ANNOUNCES THAT APPLICATION OF NEW REPORTING REGULATIONS FOR MONETARY INSTRUMENTS WILL BE PROSPECTIVE ONLY**

December 21, 1990 TO: TAX MEMBERS NO. 58-90 RE: IRS ANNOUNCES THAT APPLICATION OF NEW REPORTING REGULATIONS FOR MONETARY INSTRUMENTS WILL BE PROSPECTIVE ONLY \_\_\_\_\_ As you may know, the Revenue Reconciliation Act of 1990 (the "Act") instructed the Treasury to promulgate regulations which would treat monetary instruments with a face amount of under \$10,000 (other than a personal check) as cash for purposes of the cash transaction reporting requirements of section 6050I of the Internal Revenue Code. That section provides that any persons engaged in a trade or business who, in the course of such trade or business, receives more than \$10,000 in cash in a transaction or series of related transactions must file a report with the Internal Revenue Service. The attached IRS Announcement provides that any regulations under the Act will be applied on a prospective basis only. Thus, until regulations are issued, reporting is required only with respect to the receipt of U.S. or foreign currency. For your information, we have also attached a copy of IRS Publication No. 1544, Reporting Cash Payments of Over \$10,000 (Received in a Trade or Business). We will continue to keep you informed of developments. David J. Mangefrida, Jr. Assistant General Counsel Attachment DJM:bmb