

## INTERNATIONAL TRANSPORTATION OF CURRENCY OR MONETARY INSTRUMENTS REPORTING

**Objective:** *Assess the bank's compliance with the BSA regulatory requirements for the reporting of international shipments of currency or monetary instruments.*

### Regulatory Requirements for International Transportation of Currency or Monetary Instruments Reporting

This section outlines the regulatory requirements for banks in 31 CFR Chapter X regarding international transportation of currency<sup>1</sup> or monetary instruments<sup>2</sup> reporting. Specifically, this section covers:

- [31 CFR 1010.306\(b\)](#)
- [31 CFR 1010.340](#)

Each person<sup>3</sup> (including a bank) who physically transports, mails, or ships, or who causes, attempts, or attempts to cause the physical transportation, mailing, or shipment of currency or other monetary instruments<sup>4</sup> in an aggregate amount exceeding \$10,000 at one time out of or into the United States must file a Report of International Transportation of Currency or Monetary Instruments (CMIR).<sup>5</sup> Unless otherwise specified by the Commissioner of Customs and Border Protection, a CMIR must be filed at the time of entry into the United States or at the time of departure, mailing, or shipping out of or into the United States.<sup>6</sup>

FinCEN guidance states that the obligation to file the CMIR falls solely on a person who transports, mails, ships, or receives, or causes or attempts to transport, mail, ship, or receive currency or monetary instruments in excess of \$10,000 from or to a place outside the United States. No other person is under any obligation to file a CMIR. Thus, if a customer walks into the bank and declares that he or she has received or transported currency in an aggregate amount exceeding \$10,000 from a place outside the United States and wishes to deposit the currency into his or her account, the bank is under no obligation to file a CMIR on the customer's behalf. Since the bank itself did not receive the money from a customer outside the United States, it has no obligation to file a CMIR on its own behalf.<sup>7</sup>

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<sup>1</sup> [31 CFR 1010.100\(m\)](#).

<sup>2</sup> [31 CFR 1010.100\(dd\)](#). FinCEN regulations define the term "monetary instrument" to include currency as well as the following: traveler's checks; negotiable instruments that are in bearer form, endorsed without restriction or made out to a fictitious payee; incomplete instruments; and securities and stock in bearer form.

<sup>3</sup> As defined in [31 CFR 1010.100\(mm\)](#), the term "person" means an individual, a corporation, a partnership, a trust or estate, a joint stock company, an association, a syndicate, joint venture, or other unincorporated organization or group, an Indian Tribe (as that term is defined in the Indian Gaming Regulatory Act), and all entities cognizable as legal personalities.

<sup>4</sup> [31 CFR 1010.100\(dd\)](#).

<sup>5</sup> [31 CFR 1010.340\(a\)](#).

<sup>6</sup> [31 CFR 1010.306\(b\)](#).

<sup>7</sup> FinCEN (June 22, 1988), "[FIN-1998-R002 Formerly 88-2](#)." The guidance further states, "However, the bank is strongly encouraged to inform the customer of the CMIR reporting requirement. If the bank has knowledge that the

In addition, each person who receives in the United States currency or other monetary instruments in an aggregate amount exceeding \$10,000 at one time, which was transported, mailed, or shipped from any place outside the United States, must file a CMIR within 15 days after receipt<sup>8</sup> (unless a report with respect to the particular instance of transportation, mailing, or shipment has already been filed by another).<sup>9</sup>

CMIRs are not required in some instances. For example, a bank, a foreign bank, or a broker or dealer in securities is not required to file CMIRs to report currency or other monetary instruments that are mailed or shipped through the postal service or by common carrier.<sup>10</sup> FinCEN has issued guidance on CMIR filing requirements for common carriers of currency, including armored car services.<sup>11</sup> However, a bank in the United States is required to file a CMIR to report shipments of currency or monetary instruments from or into the United States when those shipments are performed directly by bank personnel (as opposed to through the postal service or by common carrier), such as by carrying currency or monetary instruments on their persons.<sup>12</sup>

However, a commercial bank or trust company is not required to file a CMIR to report overland shipments of currency or monetary instruments if they are shipped to, or received from, an established customer maintaining a deposit relationship with the bank in amounts which the bank may reasonably conclude do not exceed amounts commensurate with the customary conduct of the business, industry, or profession of the customer concerned. This only applies to a commercial bank or trust company organized under the laws of any State or of the United States.<sup>13</sup>

Additional information concerning CMIR requirements, including filing instructions and Frequently Asked Questions, can be found on the websites of [FinCEN](#) and [U.S. Customs and Border Protection](#).<sup>14</sup>

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customer is aware of the CMIR reporting requirement, but is nevertheless disregarding the requirement or if information about the transaction is otherwise suspicious, the bank should contact the local office of the [U.S. Customs Service](#) or 1-800-BE ALERT.”

<sup>8</sup> [31 CFR 1010.306\(b\)\(2\)](#).

<sup>9</sup> [31 CFR 1010.340\(b\)](#).

<sup>10</sup> [31 CFR 1010.340\(c\)\(2\)](#). [31 CFR 1010.100\(k\)](#) defines “common carrier” as any person engaged in the business of transporting individuals or goods for a fee who holds himself out as ready to engage in such transportation for hire and who undertakes to do so indiscriminately for all persons who are prepared to pay the fee for the particular service offered.

<sup>11</sup> FinCEN (August 1, 2014), FIN-2014-G002, “[CMIR Guidance for Common Carriers of Currency, Including Armored Car Services](#).”

<sup>12</sup> [31 CFR 1010.340\(a\)](#).

<sup>13</sup> [31 CFR 1010.340\(c\)\(3\)](#). This does not apply to other banks defined in 1010.100(d).

<sup>14</sup> FinCEN [Filing Information](#) – CMIR 105. U.S. Customs and Border Protection, “[FinCEN Form 105, Currency and Monetary Instrument Report \(CMIR\)](#)” and U.S. Customs and Border Protection, “[Frequently Asked Questions](#).”

Regardless of whether a CMIR is filed, banks are not relieved of other monitoring and reporting obligations under the BSA. Banks must file Currency Transaction Reports and Suspicious Activity Reports to the extent required by regulations.<sup>15</sup>

## **Examiner Assessment of Compliance with CMIR Requirements**

Examiners should assess the adequacy of the bank's policies, procedures, and processes (internal controls) related to the bank's filing of CMIRs. Specifically, examiners should determine whether these internal controls are designed to mitigate and manage ML/TF and other illicit financial activity risks and comply with CMIR requirements. Examiners may review information, such as independent testing or audit reports, to aid in their assessment of the bank's filing of CMIRs.

Examiners should also consider general internal controls concepts, such as dual controls, segregation of duties, and management approval for certain actions, as they relate to the bank's process for CMIR filing. For example, employees who complete CMIRs generally should not also be responsible for the decision to file the reports. Other internal controls may include BSA compliance officer or other senior management approval for staff actions where segregation of duties cannot be achieved.

When assessing internal controls and compliance with CMIR requirements, examiners should keep in mind that the bank may have a limited number of instances of noncompliance with the regulation (such as isolated or technical violations) or minor deviations from the bank's policies, procedures, and processes without resulting in an overall failure of internal controls. These instances should be considered in the context of all examination findings and the bank's risk profile. Examiners should determine whether the bank's internal controls for filing CMIRs are designed to assure ongoing compliance with the requirements and are commensurate with the bank's risk profile. Refer to the [Assessing the BSA/AML Compliance Program - BSA/AML Internal Controls](#) section for more information.

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<sup>15</sup> [31 CFR 1010.310-315](#); [31 CFR 1020.310-315](#); [12 CFR 208.62](#), [211.5\(k\)](#), [211.24\(f\)](#), and [225.4\(f\)](#) (Federal Reserve); [12 CFR 353](#) (FDIC); [12 CFR 748.1\(c\)](#) (NCUA); [12 CFR 21.11](#) and [12 CFR 163.180](#) (OCC); and [31 CFR 1020.320](#) (FinCEN).

## **INTERNATIONAL TRANSPORTATION OF CURRENCY OR MONETARY INSTRUMENTS REPORTING EXAMINATION AND TESTING PROCEDURES**

**Objective.** *Assess the bank's compliance with the BSA regulatory requirements for the reporting of international shipments of currency or monetary instruments.*

1. Determine whether the bank has (or has caused to be) physically transported, mailed, or shipped currency or other monetary instruments in excess of \$10,000, at one time, into or out of the United States, or whether the bank has received currency or other monetary instruments in excess of \$10,000, at one time, that has been physically transported, mailed, or shipped into the United States.
2. Review the bank's policies, procedures, and processes for identifying reportable international shipments of currency or monetary instruments and for filing a Report of International Transportation of Currency or Monetary Instruments (CMIR) to determine whether they meet the BSA regulatory requirements for CMIR reporting.
3. Determine whether the bank's policies, procedures, and processes (internal controls) are designed to assure ongoing compliance with CMIR filing requirements and are commensurate with the bank's risk profile.
4. Select a sample of reportable transactions and filed CMIRs and determine whether:
  - CMIRs are filed in accordance with FinCEN form instructions.
  - CMIRs filed contain accurate and complete information.
  - CMIRs are filed at the time of entry into the United States or at the time of departure, mailing, or shipping from or into the United States.
  - Any discrepancies exist between the bank's records of CMIRs and the CMIRs reflected in the BSA reporting database.
  - The bank has taken corrective action when errors are identified.
  - The bank retains copies (electronic format or paper copies) of CMIRs for five years from the date of the report.
5. On the basis of examination and testing procedures completed, form a conclusion about the adequacy of policies, procedures, and processes the bank has developed to meet BSA regulatory requirements associated with CMIRs.