

Practice Update

FinCEN's COVID-19 Update to Financial Institutions

April 7, 2020

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On April 3, the Financial Crimes Enforcement Network (FinCEN) issued its second COVID-19 [notice](#) to financial institutions. FinCEN issued this notice to assist financial institutions in complying with the Bank Secrecy Act (BSA) during the pandemic. This notice supplements FinCEN's March 16 [notice](#) on COVID-19 issues.

In its notices, FinCEN has reiterated that compliance with the BSA is still required despite business disruptions due to the virus outbreak. FinCEN has also announced the following affirmative steps:

- FinCEN is suspending until further notice implementation of its the February 10 ruling ([FIN-2020-R001](#)) on Currency Transaction Report (CTR) filing obligations when reporting transactions involving sole proprietorships and entities operating under a “doing business as” name.
- FinCEN recognizes that there may be some reasonable delays in filing of CTRs.
- Regarding beneficial ownership requirements, FinCEN reminds financial institutions of its 2018 ruling ([FIN-2018-R004](#)), which provides relief to some beneficial ownership requirements. For renewals, modifications, restructurings, or extensions for existing legal entity customers outside of that rulemaking's scope, financial

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institutions may take a risk-based approach and such an approach may result in reasonable delays in compliance.

- FinCEN has created a COVID-19-specific contact form on its website. That form can be accessed [here](#).
- Financial institutions that have or foresee potential delays in completing required deadlines are encouraged to proactively reach out to both FinCEN and their other regulators. Due to increased volumes, FinCEN may be delayed in responding to messages.
- FinCEN instructed financial institutions to be particularly mindful of malicious or fraudulent transactions that can occur, such as imposter scams, investment scams, product scams, and insider trading.
- Attempts at fraudulent activity may be similar to those that occur in the wake of natural disasters, such as benefits, charity, and cyber-related fraud described in FinCEN's 2017 disaster advisory [FIN-2017-A007](#).

Additionally, FinCEN reminded financial institutions of [guidance](#) by FinCEN and other federal regulators on how financial institutions can take responsibly implement innovative approaches to meeting their BSA / AML requirements.

FinCEN states it will continue to conduct outreach with financial institutions and other regulators and may issue further guidance.

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