

PRESS ROOM



FROM THE OFFICE OF PUBLIC AFFAIRS

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**Treasury Department Provides Guidance
on Compliance with Section 326 of USA PATRIOT ACT**

The Treasury Department today is advising all financial institutions that they will not be required to comply with section 326 of the USA PATRIOT ACT or the proposed rules issued by Treasury and the federal functional regulators on July 23 until final implementing regulations are issued and become effective.

Section 326 of the USA PATRIOT Act directs the Department of the Treasury and the federal functional regulators to jointly issue regulations requiring financial institutions to establish minimum procedures for the identification and verification of customers who open new accounts.

The proposed rules issued in July applied to the following financial institutions: banks, savings associations, and credit unions; securities brokers and dealers; mutual funds; futures commission merchants and introducing brokers; and credit unions, private banks and trust companies that do not have a federal regulator. Comments received on the proposed rules revealed substantial issues that Treasury and the federal functional regulators are analyzing as a final rule is prepared.

The final rules will provide financial institutions with a reasonable amount of time in which to come into compliance. However, financial institutions are reminded that they must continue to comply with any existing obligation to guard against money laundering and the financing of terrorism through adequate customer identification procedures. Financial institutions should already be taking basic steps to ensure appropriate customer identification.

Treasury will issue shortly further guidance on other provisions of the Act with October implementation deadlines.