

Texas Department of Banking

Press Release

Commissioner Announces New Responsibilities for Money Services Businesses that Result from the USA Patriot Act of 2001

Date: August 2, 2002

On October 26, 2001, the President signed into law the USA PATRIOT ACT of 2001. The Act provides additional tools to prevent, detect and prosecute international money laundering and the financing of terrorism. In April 2002 the Financial Crimes Enforcement Network, a branch of the U. S. Treasury, promulgated an interim final rule, 31 CFR Part 103, which mandates that money services businesses (MSB's) must develop and implement an anti-money laundering program no later than July 24, 2002. A license holder under either Chapter 152 or 153 of the Texas Finance Code is considered an MSB under the Federal definition. Agents for licensees are also considered MSB's.

In an attempt to ensure that all new licensees comply with applicable law and regulations designed to thwart money laundering and other avenues of terrorist funding, applicants for licenses under Chapters 152 and 153 of the Texas Finance Code will be required to furnish additional commitments as a part of the application process. In addition, current license holders were notified in July 2002 that examination procedures had been added to verify compliance with these requirements at each annual examination. The text of the federal regulation can be found in the April 29, 2002 issue of the Federal Register.