

**Money Laundering Time Line**  
**Associated with Title III of the USA Patriot Act of 2001**  
**Public Law 107-56**  
**Enacted October 26, 2001**

**December 25, 2001**—ban U.S. financial institutions establishing correspondent accounts for foreign shell banks with no physical presence takes effect. (Section 313(b))

**January 1, 2002**—Secretary of the Treasury, after consultation with the Securities and Exchange Commission and the Federal Reserve Board, is to publish proposed regulations requiring broker-dealers to file suspicious activity reports. (Section 356(a))

**February 23, 2002**—Secretary of the Treasury to issue regulations to encourage cooperation among all (State and Federal) financial institutions, financial regulators and law enforcement officials in the sharing of information. Also permits information sharing by law enforcement and regulatory authorities with such institutions regarding persons reasonably suspected, based on credible evidence, of engaging in terrorist acts or money laundering activities (Section 314).

**April 2002**—Secretary of the Treasury, in consultation with the federal functional regulators (as well as other appropriate agencies), must submit a report to Congress containing recommendations about the most effective way to require foreign nationals to provide financial institutions in the United States with accurate identity information, comparable to that required to be provided by U.S. nationals, and to obtain an identification number that would function similarly to a U.S. national's tax identification number (Section 326(b)).

**April 2002**—Proposed regulations for reporting to FinCEN by persons who receive more than \$10,000 in coins or currency in one or more related transactions in the course of that person's trade or business. (Section 365).

**April 2002**—Secretary of the Treasury must submit a report to Congress on the role of the Internal Revenue Service in the administration of the Bank Secrecy Act, with emphasis on whether IRS Bank Secrecy Act information processing responsibility (for reports filed by all financial institutions) or Bank Secrecy Act audit and examination responsibility (for certain non-bank financial institutions) should be retained or transferred (Section 357).

**April 2002**—the Secretary of the Treasury is required to study and report on methods for improving compliance with the reporting requirements for ownership of foreign bank and brokerage accounts by U.S. nationals imposed by regulations issued under 31 U.S.C. 5314. The first report is due in April of 2002 and then annually thereafter (Section 361).

**April 24, 2002**—the Secretary of the Treasury, in consultation with the appropriate federal functional regulators of the affected financial institutions, is required to further delineate, by regulation, the due diligence policies, procedures, and controls required

under new subsection 5318(i) dealing with correspondent and private banking accounts. Any failure to issue regulations whether before or after the effective date (July 23, 2002) is in no way to affect the enforceability of subsection 5318(i). (Section 312(b))

**April 24, 2002**—New anti-money laundering program requirements for all financial institutions takes effect. Secretary of the Treasury has the authority to set minimum standards for such programs taking into consideration the size, location and activities of the financial institutions to which the regulations apply. (Section 352)

**July 2002**—the Secretary of the Treasury is directed to establish a secure network with FinCEN that will allow financial institutions to file suspicious activity reports and provide such institutions with information regarding suspicious activities warranting special scrutiny. (Section 362)

**July 1, 2002**—final regulations requiring broker-dealers to file suspicious activity reports are due. (Section 356(a))

**July 23, 2002**—new due diligence policies for correspondent and private banking accounts take effect and will apply to otherwise covered correspondent and private banking accounts, whether opened before, on, or after the date of enactment. (see regulations due April 24, 2002) (Section 312)

**October 26, 2002**—the Secretary of the Treasury is required to prescribe by regulation, jointly with each federal functional regulator, minimum standards for financial institutions and their customers, regarding the identity of the customer, which shall apply in connection with the opening of an account at a financial institution. The minimum standards shall require financial institutions to implement, and customers (after being given adequate notice) to comply with, reasonable procedures concerning verification of customer identity, maintenance of records of identity verification, and consultation at account opening of lists of known or suspected terrorists provided to the financial institution by a government agency. (Section 326(a))

**October 26, 2002**—Secretary of the Treasury, the SEC and Federal Reserve Board are required to submit jointly to Congress recommendations for effective regulations to apply the provisions of 31 U.S.C. 5311-30 (records and reports on money instruments transactions) to both registered and unregistered investment companies, as well as recommendations as to whether the Secretary should promulgate regulations treating personal holding companies as financial institutions that must disclose their beneficial owners when opening accounts or initiating funds transfers at any domestic financial institution. (Section 356(c))

**October 26, 2002**—Secretary of the Treasury is required to report to Congress on the need for additional legislation or regulatory controls relating to underground banking systems. (Section 359)

**October 2002**—Secretary of the Treasury must report to the Congress on the results of a study of the possible expansion of the statutory system for exempting transactions from the currency transaction reporting requirements and ways to improve the use by financial institutions of the statutory exemption system as a way of reducing the volume of unneeded currency transaction reports. (Section 366)

**April 2004**—Secretary of the Treasury, in consultation with the Attorney General, the Federal banking agencies, the SEC, and other appropriate agencies is required to evaluate operation of the provisions of Subtitle A of Title III of the Act (International Counter-Money Laundering and Related Matters) and recommend to Congress any relevant legislative action. (Section 324)

**September 30, 2004**—Title III will terminate after **September 30, 2004**, if the Congress enacts a joint resolution to that effect, and that any such joint resolution will be considered by the Congress expeditiously. (Section 303)

**No Deadline Given**—The Secretary of the Treasury is given explicit authority to issue regulations concerning the maintenance of concentration accounts by U.S. depository institutions to prevent an institution's customers from anonymously directing funds into or through such accounts. (Section 325)