

SCHWARTZ & BALLEN LLP
1990 M STREET, N.W. • SUITE 500
WASHINGTON, DC 20036-3465
(202) 776-0700

FACSIMILE
(202) 776-0720

www.schwartzandballen.com

MEMORANDUM

April 23, 2008

To Our Clients and Friends

Re: FinCEN Proposal on CTR Exemptions

The Financial Crimes Enforcement Network (“FinCEN”) is proposing to simplify current rules for depository institutions to exempt certain customers from currency transaction reporting. Public comments are requested by late June.

Currently, depository institutions may exempt certain persons from the requirement to report currency transactions exceeding \$10,000 if the transactions are with (1) other depository institutions, governmental entities or public companies that are listed on a national stock exchange, or (2) eligible businesses or payroll customers. FinCEN proposes removing three existing regulatory requirements. Under the proposal, depository institutions would no longer be required:

- To file exemptions for, or annually review, depository institutions and government agencies, or entities acting with governmental authority
- To biennially renew a designation of exempt person for eligible businesses or payroll customers, and
- To wait twelve months before designating otherwise eligible businesses or payroll customers for exemption.

A copy of FinCEN’s proposed rule can be found on our website at http://www.schwartzandballen.com/whats_new.html.

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox or Heidi Wicker at (202) 776-0700.