

105TH CONGRESS
2D SESSION

H. R. 4005

To amend title 31 of the United States Code to improve methods for preventing financial crimes, and for other purposes.

IN THE HOUSE OF REPRESENTATIVES

JUNE 5, 1998

Mr. LEACH (for himself, Mr. BEREUTER, Mr. CASTLE, Mr. BACHUS, Mrs. ROUKEMA, Mr. BAKER, Mr. LAFALCE, Mr. KANJORSKI, Mr. HINCHEY, Ms. WATERS, and Ms. VELÁZQUEZ) introduced the following bill; which was referred to the Committee on Banking and Financial Services, and in addition to the Committee on Ways and Means, for a period to be subsequently determined by the Speaker, in each case for consideration of such provisions as fall within the jurisdiction of the committee concerned

A BILL

To amend title 31 of the United States Code to improve methods for preventing financial crimes, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Money Laundering De-
5 terrence Act of 1998”.

6 **SEC. 2. FINDINGS AND PURPOSES.**

7 (a) FINDINGS.—The Congress finds as follows:

1 (1) The dollar amount involved in international
2 money laundering likely exceeds \$500,000,000,000
3 annually.

4 (2) Organized crime groups are continually de-
5 vising new methods to launder the proceeds of illegal
6 activities in an effort to subvert the transaction re-
7 porting requirements of subchapter II of chapter 53
8 of title 31, United States Code, and chapter 2 of
9 Public Law 91–508.

10 (3) A number of methods to launder the pro-
11 ceeds of criminal activity were identified and de-
12 scribed in congressional hearings, including the use
13 of financial service providers which are not deposi-
14 tory institutions, such as money transmitters and
15 check cashing services, the purchase and resale of
16 durable goods, and the exchange of foreign currency
17 in the so-called “black market”.

18 (4) Recent successes in combating domestic
19 money laundering have involved the application of
20 the heretofore seldom-used authority granted to the
21 Secretary of the Treasury and the cooperative
22 efforts of Federal, State, and local law enforcement
23 agencies.

24 (5) Such successes have been exemplified by the
25 implementation of the geographic targeting order in

1 New York City and through the work of the El
2 Dorado task force, a group comprised of agents of
3 Department of the Treasury law enforcement agen-
4 cies, New York State troopers, and New York City
5 police officers.

6 (b) PURPOSES.—The purposes of this Act are as fol-
7 lows:

8 (1) To amend subchapter II of chapter 53 of
9 title 31, United States Code, to provide the law en-
10 forcement community with the necessary legal au-
11 thority to combat money laundering.

12 (2) To broaden the law enforcement commu-
13 nity's access to transactional information already
14 being collected which relate to coins and currency re-
15 ceived in a nonfinancial trade or business.

16 (3) To express the sense of the Congress that
17 the Secretary of the Treasury should expedite the
18 development and implementation of controls de-
19 signed to deter money laundering activities at cer-
20 tain types of financial institutions.

21 **SEC. 3. AMENDMENTS RELATING TO REPORTING OF SUS-**
22 **PICIOUS ACTIVITIES.**

23 (a) AMENDMENT RELATING TO CIVIL LIABILITY IM-
24 MUNITY FOR DISCLOSURES.—Section 5318(g)(3) of title
25 31, United States Code, is amended to read as follows:

1 “(3) LIABILITY FOR DISCLOSURES.—Notwith-
2 standing any other provision of law—

3 “(A) any financial institution that—

4 “(i) makes a disclosure of any possible
5 violation of law or regulation to an appro-
6 priate government agency; or

7 “(ii) makes a disclosure pursuant to
8 this subsection or any other authority; or

9 “(B) any director, officer, employee, or
10 agent of such institution who makes, or re-
11 quires another to make any such disclosure;
12 and

13 “(C) any independent public accountant
14 who audits any such financial institution and
15 makes a disclosure described in subparagraph
16 (A),

17 shall not be liable to any person under any law or
18 regulation of the United States, any constitution,
19 law, or regulation of any State or political subdivi-
20 sion thereof, or under any contract or other legally
21 enforceable agreement (including any arbitration
22 agreement), for such disclosure or for any failure to
23 notify the person who is the subject of such disclo-
24 sure or any other person identified in the disclo-
25 sure.”.

1 (b) PROHIBITION ON NOTIFICATION OF DISCLO-
2 SURES.—Section 5318(g)(2) of title 31, United States
3 Code, is amended to read as follows:

4 “(2) NOTIFICATION PROHIBITED.—

5 “(A) IN GENERAL.—If a financial institu-
6 tion, any director, officer, employee, or agent of
7 any financial institution, or any independent
8 public accountant who audits any such financial
9 institution, voluntarily or pursuant to this sec-
10 tion or any other authority, reports a suspicious
11 transaction to an appropriate government agen-
12 cy—

13 “(i) the financial institution, director,
14 officer, employee, agent, or accountant
15 may not notify any person involved in the
16 transaction that the transaction has been
17 reported and may not disclose any infor-
18 mation included in the report to any such
19 person; and

20 “(ii) any other person, including any
21 officer or employee of any government,
22 who has any knowledge that such report
23 was made, may not disclose to any other
24 person or government agency the fact that
25 such report was made.

1 “(B) EXCEPTION FOR USE BY GOVERN-
2 MENT OFFICERS IN OFFICIAL CAPACITY.—Para-
3 graph (1) shall not apply to the use or dislo-
4 sure by an officer or employee of an appropriate
5 government agency of any report under this
6 subsection, or information included in such re-
7 port, to the extent the use is made solely in
8 conjunction with the performance of the official
9 duties of such officer or employee to conduct or
10 assist in the conduct of a law enforcement or
11 regulatory inquiry, investigation, or proceeding.

12 “(C) COORDINATION WITH PARAGRAPH
13 (5).—Subparagraph (A) shall not be construed
14 as prohibiting any financial institution, or any
15 director, officer, employee, or agent of such in-
16 stitution, from including, in a written employ-
17 ment reference that is provided in accordance
18 with paragraph (5) in response to a request
19 from another financial institution, information
20 that was included in a report to which subpara-
21 graph (A) applies, but such written employment
22 reference may not disclose that such informa-
23 tion was also included in any such report or
24 that such report was made.”.

1 (c) AUTHORIZATION TO INCLUDE SUSPICIONS OF IL-
2 LEGAL ACTIVITY IN EMPLOYMENT REFERENCES.—Sec-
3 tion 5318(g) of title 31, United States Code, is amended
4 by adding at the end the following new paragraph:

5 “(5) EMPLOYMENT REFERENCES MAY INCLUDE
6 SUSPICIONS OF INVOLVEMENT IN ILLEGAL ACTIV-
7 ITY.—

8 “(A) IN GENERAL.—Notwithstanding any
9 other provision of law and subject to subpara-
10 graph (B) of this paragraph and paragraph
11 (2)(C), any financial institution, and any direc-
12 tor, officer, employee, or agent of such institu-
13 tion, may disclose, in any written employment
14 reference relating to a current or former insti-
15 tution-affiliated party of such institution which
16 is provided to another financial institution in
17 response to a request from such other institu-
18 tion, information concerning the possible in-
19 volvement of such institution-affiliated party in
20 any suspicious transaction relevant to a possible
21 violation of law or regulation.

22 “(B) LIMIT ON LIABILITY FOR DISCLO-
23 SURES.—A financial institution, and any direc-
24 tor, officer, employee, or agent of such institu-
25 tion, shall not be liable to any person under any

1 law or regulation of the United States, any con-
2 stitution, law, or regulation of any State or po-
3 litical subdivision thereof, or under any contract
4 or other legally enforceable agreement (includ-
5 ing any arbitration agreement), for any disclo-
6 sure under subparagraph (A), to the extent—

7 “(i) the disclosure does not contain in-
8 formation which the institution, director,
9 officer, employee, agent, or accountant
10 knows to be false; and

11 “(ii) the institution, director, officer,
12 employee, agent, or accountant has not
13 acted with malice or with reckless dis-
14 regard for the truth in making the disclo-
15 sure.

16 “(C) INSTITUTION-AFFILIATED PARTY DE-
17 FINED.—For purposes of this paragraph, the
18 term ‘institution-affiliated party’ has the mean-
19 ing given to such term in section 3(u) of the
20 Federal Deposit Insurance Act, except such sec-
21 tion 3(u) shall be applied by substituting ‘finan-
22 cial institution’ for ‘insured depository institu-
23 tion’.”.

24 (d) AMENDMENTS RELATING TO AVAILABILITY OF
25 SUSPICIOUS ACTIVITY REPORTS FOR OTHER AGEN-

1 CIES.—Section 5319 of title 31, United States Code, is
2 amended—

3 (1) in the 1st sentence, by striking “5314, or
4 5316” and inserting “5313A, 5314, 5316, or
5 5318(g)”;

6 (2) in the last sentence, by inserting “under
7 section 5313, 5313A, 5314, 5316, or 5318(g)” after
8 “records of reports”; and

9 (3) by adding the following new sentence after
10 the last sentence: “The Secretary of the Treasury
11 may permit the dissemination of information in any
12 such reports to any self-regulatory organization (as
13 defined in section 3(a)(26) of the Securities Ex-
14 change Act of 1934), if the Securities and Exchange
15 Commission determines that such dissemination is
16 necessary or appropriate to permit such organization
17 to perform its function under the Securities Ex-
18 change Act of 1934 and regulations prescribed
19 under such Act.”.

20 **SEC. 4. EXPANSION OF SCOPE OF SUMMONS POWER.**

21 Section 5318(b)(1) of title 31, United States Code,
22 is amended by inserting “examinations to determine com-
23 pliance with the requirements of this subchapter, section
24 21 of the Federal Deposit Insurance Act, and chapter 2
25 of Public Law 91–508 and regulations prescribed pursu-

1 ant to such provisions, investigations relating to reports
2 filed by financial institutions or other persons pursuant
3 to any such provision or regulation, and” after “in connec-
4 tion with”.

5 **SEC. 5. PENALTIES FOR VIOLATIONS OF GEOGRAPHIC TAR-**
6 **GETING ORDERS AND CERTAIN RECORD-**
7 **KEEPING REQUIREMENTS.**

8 (a) CIVIL PENALTY FOR VIOLATION OF TARGETING
9 ORDER.—Section 5321(a)(1) of title 31, United States
10 Code, is amended by inserting “or order issued” after
11 “regulation prescribed”.

12 (b) CRIMINAL PENALTIES FOR VIOLATION OF TAR-
13 GETING ORDER.—Subsections (a) and (b) of section 5322
14 of title 31, United States Code, are each amended by in-
15 serting “or order issued” after “regulation prescribed”.

16 (c) STRUCTURING TRANSACTIONS TO EVADE TAR-
17 GETING ORDER OR CERTAIN RECORDKEEPING REQUIRE-
18 MENTS.—Section 5324(a) of title 31, United States Code,
19 is amended—

20 (1) in the portion of such section which pre-
21 cedes paragraph (1), by inserting “, the reporting
22 requirements imposed by any order issued under sec-
23 tion 5326, or the recordkeeping requirements im-
24 posed by any regulation prescribed under section 21
25 of the Federal Deposit Insurance Act or section 123

1 of Public Law 91–508” after “regulation prescribed
2 under any such section”;

3 (2) in paragraphs (1) and (2), by inserting “,
4 to file a report required by any order issued under
5 section 5326, or to maintain a record required pur-
6 suant to any regulation prescribed under section 21
7 of the Federal Deposit Insurance Act or section 123
8 of Public Law 91–508” after “regulation prescribed
9 under any such section” where such term appears in
10 each such paragraph.

11 (d) INCREASE IN CIVIL PENALTIES FOR VIOLATION
12 OF CERTAIN RECORDKEEPING REQUIREMENTS.—

13 (1) FEDERAL DEPOSIT INSURANCE ACT.—Sec-
14 tion 21(j)(1) of the Federal Deposit Insurance Act
15 (12 U.S.C. 1829b(j)(1)) is amended by striking
16 “\$10,000” and inserting “the greater of the amount
17 (not to exceed \$100,000) involved in the transaction
18 (if any) with respect to which the violation occurred
19 or \$25,000”.

20 (2) PUBLIC LAW 91–508.—Section 125 of Public
21 Law 91–508 (12 U.S.C. 1955) is amended by strik-
22 ing “\$10,000” and inserting “the greater of the
23 amount (not to exceed \$100,000) involved in the
24 transaction (if any) with respect to which the viola-
25 tion occurred or \$25,000”.

1 (e) CRIMINAL PENALTIES FOR VIOLATION OF CER-
2 TAIN RECORDKEEPING REQUIREMENTS.—

3 (1) SECTION 126.—Section 126 of Public Law
4 91–508 (12 U.S.C. 1956) is amended to read as fol-
5 lows:

6 **“SEC. 126. CRIMINAL PENALTY.**

7 “A person willfully violating this chapter, section 21
8 of the Federal Deposit Insurance Act, or a regulation pre-
9 scribed under this chapter or such section, shall be fined
10 not more than \$250,000, or imprisoned for not more than
11 five years, or both.”.

12 (2) SECTION 127.—Section 127 of Public Law
13 91–508 (12 U.S.C. 1957) is amended to read as fol-
14 lows:

15 **“SEC. 127. ADDITIONAL CRIMINAL PENALTY IN CERTAIN**
16 **CASES.**

17 “A person willfully violating this chapter, section 21
18 of the Federal Deposit Insurance Act, or a regulation pre-
19 scribed under this chapter or such section, while violating
20 another law of the United States or as part of a pattern
21 of any illegal activity involving more than \$100,000 in a
22 12-month period, shall be fined not more than \$500,000,
23 imprisoned for not more than 10 years, or both.”.

1 **SEC. 6. REPEAL OF CERTAIN REPORTING REQUIREMENTS.**

2 Section 407(d) of the Money Laundering Suppression
3 Act of 1994 (31 U.S.C. 5311 note) is amended by striking
4 “subsection (c)” and inserting “subsection (c)(2)”.

5 **SEC. 7. LIMITED EXEMPTION FROM PAPERWORK REDUC-**
6 **TION ACT.**

7 Section 3518(c)(1) of title 44, United States Code,
8 is amended—

9 (1) by redesignating subparagraphs (C) and
10 (D) as subparagraphs (D) and (E), respectively; and

11 (2) by inserting after subparagraph (B) the fol-
12 lowing new subparagraph:

13 “(C) pursuant to regulations prescribed or or-
14 ders issued by the Secretary of the Treasury under
15 section 5318(h) or 5326 of title 31.”.

16 **SEC. 8. TRANSFER OF REPORTING REQUIREMENTS FROM**
17 **SECTION 6050I OF THE INTERNAL REVENUE**
18 **CODE OF 1986 TO TITLE 31, UNITED STATES**
19 **CODE.**

20 (a) REENACTMENT OF SECTION 6050I.—Subchapter
21 2 of chapter 53 of title 31, United States Code, is amend-
22 ed by inserting after section 5313 the following new sec-
23 tion:

1 **“SEC. 5313A. REPORTS RELATING TO COINS AND CUR-**
2 **RENCY RECEIVED IN NONFINANCIAL TRADE**
3 **OR BUSINESS.**

4 “(a) COIN AND CURRENCY RECEIPTS OF MORE
5 THAN \$10,000.—Any person—

6 “(1) who is engaged in a trade or business; and

7 “(2) who, in the course of such trade or busi-
8 ness, receives more than \$10,000 in coins or cur-
9 rency in 1 transaction (or 2 or more related trans-
10 actions),

11 shall file a report described in subsection (b) with respect
12 to such transaction (or related transactions) at such time
13 as the Secretary may by regulations prescribe.

14 “(b) FORM AND MANNER OF REPORTS.—A report is
15 described in this subsection if such report—

16 “(1) is in such form as the Secretary may pre-
17 scribe;

18 “(2) contains—

19 “(A) the name, address, and taxpayer
20 identification number of the person from whom
21 the coins or currency was received;

22 “(B) the amount of coins or currency re-
23 ceived;

24 “(C) the date and nature of the trans-
25 action; and

1 “(D) such other information as the Sec-
2 retary may prescribe.

3 “(c) EXCEPTIONS.—

4 “(1) AMOUNTS RECEIVED BY FINANCIAL INSTI-
5 TUTIONS.—Subsection (a) shall not apply to
6 amounts received in a transaction reported under
7 section 5313 and regulations prescribed under such
8 section.

9 “(2) TRANSACTIONS OCCURRING OUTSIDE THE
10 UNITED STATES.—Except to the extent provided in
11 regulations prescribed by the Secretary, subsection
12 (a) shall not apply to any transaction if the entire
13 transaction occurs outside the United States.

14 “(d) CURRENCY INCLUDES FOREIGN CURRENCY AND
15 CERTAIN MONETARY INSTRUMENTS.—

16 “(1) IN GENERAL.—For purposes of this sec-
17 tion, the term ‘currency’ includes—

18 “(A) foreign currency; and

19 “(B) to the extent provided in regulations
20 prescribed by the Secretary, any monetary in-
21 strument (whether or not in bearer form) with
22 a face amount of not more than \$10,000.

23 “(2) SCOPE OF APPLICATION.—Paragraph
24 (1)(B) shall not apply to any check drawn on the ac-
25 count of the writer in a financial institution referred

1 to in subparagraph (A), (B), (C), (D), (E), (F), (G),
2 (J), (K), (R), or (S) of section 5312(a)(2).

3 “(e) COINS OR CURRENCY RECEIVED BY CRIMINAL
4 COURT CLERKS.—

5 “(1) IN GENERAL.—Every clerk of a Federal or
6 State criminal court who receives more than \$10,000
7 in coins or currency as bail for any individual
8 charged with a specified criminal offense shall file a
9 report described in paragraph (2) (at such time as
10 the Secretary may by regulations prescribe) with re-
11 spect to the receipt of such bail.

12 “(2) REPORT.—A report is described in this
13 paragraph if such report—

14 “(A) is in such form as the Secretary may
15 prescribe; and

16 “(B) contains—

17 “(i) the name, address, and taxpayer
18 identification number of—

19 “(I) the individual charged with
20 the specified criminal offense; and

21 “(II) each person posting the bail
22 (other than a person licensed as a bail
23 bondsman);

24 “(ii) the amount of coins or currency
25 received;

1 “(iii) the date the coins or currency
2 was received; and

3 “(iv) such other information as the
4 Secretary may prescribe.

5 “(3) SPECIFIED CRIMINAL OFFENSE.—For pur-
6 poses of this subsection, the term ‘specified criminal
7 offense’ means—

8 “(A) any Federal criminal offense involv-
9 ing a controlled substance;

10 “(B) racketeering (as defined in section
11 1951, 1952, or 1955 of title 18, United States
12 Code);

13 “(C) money laundering (as defined in sec-
14 tion 1956 or 1957 of such title); and

15 “(D) any State criminal offense substan-
16 tially similar to an offense described in sub-
17 paragraph (A), (B), or (C).

18 “(4) INFORMATION TO FEDERAL PROSECU-
19 TORS.—Each clerk required to include in a report
20 under paragraph (1) the information described in
21 paragraph (2)(B) with respect to an individual de-
22 scribed in paragraph (2)(B)(i)(I) shall furnish (at
23 such time as the Secretary may by regulations pre-
24 scribe) a written statement showing such informa-
25 tion to the United States Attorney for the jurisdic-

1 tion in which such individual resides and the juris-
2 diction in which the specified criminal offense oc-
3 curred.

4 “(5) INFORMATION TO PAYORS OF BAIL.—Each
5 clerk required to file a report under paragraph (1)
6 shall furnish (at such time as the Secretary may by
7 regulations prescribe) to each person whose name is
8 required to be set forth in such report by reason of
9 paragraph (2)(B)(i)(II) a written statement show-
10 ing—

11 “(A) the name and address of the clerk’s
12 office required to file the report; and

13 “(B) the aggregate amount of coins and
14 currency described in paragraph (1) received by
15 such clerk.”.

16 (b) PROHIBITION ON STRUCTURING TRANS-
17 ACTIONS.—

18 (1) IN GENERAL.—Section 5324 of title 31,
19 United States Code, is amended—

20 (A) by redesignating subsections (b) and
21 (c) as subsections clause and (d), respectively;
22 and

23 (B) by inserting after subsection (a) the
24 following new subsection:

1 “(b) DOMESTIC COIN AND CURRENCY TRANS-
2 ACTIONS INVOLVING NONFINANCIAL TRADES OR BUSI-
3 NESSES.—No person shall for the purpose of evading the
4 report requirements of section 5313A or any regulation
5 prescribed under such section—

6 “(1) cause or attempt to cause a nonfinancial
7 trade or business to fail to file a report required
8 under section 5313A or any regulation prescribed
9 under such section;

10 “(2) cause or attempt to cause a nonfinancial
11 trade or business to file a report required under sec-
12 tion 5313A or any regulation prescribed under such
13 section that contains a material omission or
14 misstatement of fact; or

15 “(3) structure or assist in structuring, or at-
16 tempt to structure or assist in structuring, any
17 transaction with 1 or more nonfinancial trades or
18 businesses.”.

19 (2) TECHNICAL AND CONFORMING AMEND-
20 MENTS.—

21 (A) The heading for subsection (a) of sec-
22 tion 5324 of title 31, United States Code, is
23 amended by inserting “INVOLVING FINANCIAL
24 INSTITUTIONS” after “TRANSACTIONS”.

1 (B) Section 5317(c) of title 31, United
2 States Code, is amended by striking “5324(b)”
3 and inserting “5324(c)”.

4 (c) DEFINITION OF NONFINANCIAL TRADE OR BUSI-
5 NESS.—

6 (1) IN GENERAL.—Section 5312(a) of title 31,
7 United States Code, is amended—

8 (A) by redesignating paragraphs (4) and
9 (5) as paragraphs (5) and (6), respectively; and

10 (B) by inserting after paragraph (3) the
11 following new paragraph:

12 “(4) NONFINANCIAL TRADE OR BUSINESS.—
13 The term ‘nonfinancial trade or business’ means any
14 trade or business other than a financial institution
15 that is subject to the reporting requirements of sec-
16 tion 5313 and regulations prescribed under such sec-
17 tion.”.

18 (2) TECHNICAL AND CONFORMING AMEND-
19 MENTS.—

20 (A) Section 5312(a)(3)(C) of title 31,
21 United States Code, is amended by striking
22 “section 5316,” and inserting “sections 5313A
23 and 5316,”.

24 (B) Subsections (a) through (f) of section
25 5318 of title 31, United States Code, and sec-

1 tions 5326 and 5328 of such title are each
2 amended by inserting “or nonfinancial trade or
3 business” after “financial institution” each
4 place such term appears.

5 (C) Section 981(a)(1)(A) of title 18,
6 United States Code, is amended by striking
7 “5313(a) or 5324(a) of title 31,” and inserting
8 “5313(a) or 5313A of title 31, of subsection (a)
9 or (b) of section 5324 of such title,”.

10 (D) Section 982(a)(1) of title 18, United
11 States Code, is amended by inserting “5313A,”
12 after “5313(a),”.

13 (d) REPEAL OF DUPLICATE PROVISION.—Section
14 6050I of the Internal Revenue Code of 1986 is repealed.

15 (e) CLERICAL AMENDMENTS.—

16 (1) TITLE 31.—The tables of sections for chap-
17 ter 53 of title 31, United States Code, is amended
18 by inserting after the item relating to section 5313
19 the following new item:

 “5313A. Reports relating to coins and currency received in nonfinancial trade
 or business.”.

20 (2) INTERNAL REVENUE CODE OF 1986.—

21 (A) The table of sections for subpart B of
22 part III of subchapter A of chapter 61 of the
23 Internal Revenue Code of 1986 is amended by
24 striking the item relating to section 6050I.

1 (B)(i) Subsection (l) of section 6103 of
2 such Code is amended by striking paragraph
3 (15).

4 (ii) Subparagraph (A) of section
5 6103(p)(3) of such Code is amended by striking
6 “(15),”.

7 (iii) Paragraph (4) of section 6103(p) of
8 such Code is amended by striking in the mate-
9 rial preceding subparagraph (A) “(12)” and all
10 that follows through “(16)” and inserting
11 “(12), or (16)”.

12 (iv) Clause (ii) of section 6103(p)(4)(F) of
13 such Code is amended by striking “(14), or
14 (15)” and inserting “or (14)”.

15 (C) Paragraph (2) of section 6721(e) of
16 such Code is amended—

17 (i) in subparagraph (A) by striking
18 “6050I,” and by adding “or” at the end,

19 (ii) by striking “or” at the end of sub-
20 paragraph (B) and inserting “and”, and

21 (iii) by striking subparagraph (C).

22 (D) Subparagraph (B) of section
23 6724(d)(1) of such Code is amended by striking
24 clause (iv) and by redesignating the succeeding
25 clauses accordingly.

1 (E) Paragraph (2) of section 6724(d) of
2 such Code is amended by striking subparagraph
3 (K) and by redesignating the succeeding sub-
4 paragraphs accordingly.

5 (F) Section 7203 of such Code is amended
6 by striking the last sentence.

7 (f) REGULATIONS; EFFECTIVE DATE.—

8 (1) REGULATIONS.—Regulations which the Sec-
9 retary of the Treasury determines are necessary to
10 implement this section shall be published in final
11 form before the end of the 6-month period beginning
12 on the date of the enactment of this Act.

13 (2) EFFECTIVE DATE.—The amendments made
14 by this section shall take effect at the end of the 6-
15 month period beginning on the date the regulations
16 referred to in paragraph (1) are published in final
17 form in the Federal Register.

18 **SEC. 9. SENSE OF THE CONGRESS.**

19 It is the sense of the Congress that the Secretary of
20 the Treasury should, in conjunction with the Board of
21 Governors of the Federal Reserve System, expedite the
22 promulgation of “know your customer” regulations for fi-
23 nancial institutions.

○