Bank Secrecy Act (BSA)
Money Services Businesses
BSA/AML Exam Manual

• Summary of BSA compliance requirements to the MSB industry

• Overview of exam practices

• Guidance for IRS examiners
MSB Activities Covered

• Money orders and traveler’s checks issuance, sale, and redemption

• Money transmission

• Check cashing

• Currency exchange or dealing
MSB Industry Impact

- IRS examiners using manual for field examinations
- State regulatory agencies using the manual
Foreign Bank and Financial Accounts Reporting (FBAR)

• Filing requirements for U.S. persons

• Financial interest in or signature authority over account in a foreign country

• Aggregate value of these accounts exceeds $10,000 at *any time* during the calendar year
TD F 90-22.1 for FBAR
Revised October 2008

• Expanded form into five parts
• Revised instructions
• Broadened definition of United States person to include all person’s in and doing business in the U.S.
Filing Requirement Clarified for FBAR Forms

• IRS guidance: 2009 IR-2009-58 and Announcement 2009-51

• Affects only FBARs due on June 30, 2009

• Submit comments regarding the revised FBAR form and instructions by Aug. 31
FBAR and Voluntary Disclosure for Offshore Accounts

- Enables taxpayers who did not report the taxable income on the foreign account to voluntarily comply

- Not an option for taxpayers who paid on the taxable income, but failed to file FBARs
Voluntary Disclosure Practice Procedures

- CI determines eligibility
  - Not currently under examination
  - Available until September 23, 2009
- Tax liability resolved
Resources

- FBAR
  - FBARquestions@irs.gov
  - www.irs.gov
  - www.fincen.gov

- Voluntary disclosure practice
  - www.irs.gov
    - IRM 9.5.11.9
    - CI contact phone numbers
  - Voluntary Disclosure Hotline: (215) 516-4777