

FEDERAL RESERVE BANK OF SAN FRANCISCO  
101 MARKET STREET, SAN FRANCISCO, CALIFORNIA 94105

December 9, 2002

**BANKING SUPERVISION AND REGULATION:  
MORATORIUM ON INFORMATION REQUESTS**

To State Member Banks, Bank  
Holding Companies, U.S. Branches  
and Agencies of Foreign Banks,  
and Others Concerned,  
in the Twelfth Federal Reserve District

**The U.S. Treasury Issues Moratorium on Section 314(a) Information Requests (SR 02-21)**

The Board of Governors of the Federal Reserve System and the other federal financial institutions supervisory agencies have issued a Joint Agency Notice that addresses two matters associated with section 314(a) of the USA PATRIOT Act. This provision of the law authorizes law enforcement authorities to communicate with banking organizations and others about suspected money launderers and terrorists. The Joint Agency Notice is now posted at <http://www.federalreserve.gov/boarddocs/SRLETTERS/2002/SR0221a1.pdf>.

As described in the notice, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) started using the authority granted by section 314(a) on November 4, 2002 by soliciting information from financial institutions on suspected money laundering and individuals and entities possibly associated with terrorist financing activities. FinCEN has since sent several other requests. There have been some problems associated with the mass distribution of information requests, and FinCEN is now working to address them in coordination with law enforcement authorities, banking organizations, their trade associations, the Federal Reserve, and the other agencies. Until the logistical problems can be resolved, FinCEN has called a moratorium on new information requests and compliance with existing requests.

The second matter involves an effort to eliminate multiple lists of terrorist financing suspects. FinCEN has advised the agencies that the FBI will discontinue using the "Control List" and instead will use the section 314(a) information request process to communicate with banking organizations and others about individuals and entities who are suspected of engaging in terrorist financing activities.

In order to ensure the most effective distribution of information requests about matters related to money laundering and terrorist funding activities, *banking organizations are requested to make sure that FinCEN has the most complete and up-to-date contact information possible*. The notice lists the points of contact that banking organizations can use to provide new or updated information.

**E-Notification**

The Federal Reserve Bank of San Francisco will notify depository institutions by e-mail of new Banking Supervision and Regulation circular letters recently posted on the Twelfth District Federal Reserve Bank web site. We will be discontinuing hardcopy mailings of letters at the end of December 2002. We will e-mail a summary of the letter as well as a link to the full text of the letter and its attachments to view and print. To subscribe to this free service, simply visit our web site at <http://www.frbsf.org/banking/> and click on the E-Notification logo.

**Additional Information**

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco's Internet site, at <http://www.frbsf.org/banking/letters>. Paper copies of the notice **(SR 02-21)** are available from our Corporate Services Department. To request copies to be sent by mail, please call (415) 974-2060.

For additional information about the supervisory notice please contact our Legal Department at (415) 974-2210.

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