

105TH CONGRESS  
2D SESSION

# S. 2165

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

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IN THE SENATE OF THE UNITED STATES

JUNE 11, 1998

Mr. GRASSLEY introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

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## 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 that—

8 (1) the dollar amount involved in international  
9 money laundering likely exceeds \$500,000,000,000  
10 annually;

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

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

15          (4) recent successes in combating domestic  
16          money laundering have involved the application of  
17          the heretofore seldom-used authority granted to the  
18          Secretary of the Treasury and the cooperative  
19          efforts of Federal, State, and local law enforcement  
20          agencies; and

21          (5) such successes have been exemplified by the  
22          implementation of the geographic targeting order in  
23          New York City and through the work of the El  
24          Dorado task force, a group comprised of agents of  
25          Department of the Treasury law enforcement agen-

1       cies, New York State troopers, and New York City  
2       police officers.

3       (b) PURPOSES.—The purposes of this Act are—

4             (1) to amend subchapter II of chapter 53 of  
5       title 31, United States Code, to provide the law en-  
6       forcement community with the necessary legal au-  
7       thority to combat money laundering;

8             (2) to broaden the law enforcement commu-  
9       nity’s access to transactional information already  
10      being collected which relate to coins and currency re-  
11      ceived in a nonfinancial trade or business; and

12            (3) to express the sense of the Congress that  
13      the Secretary of the Treasury should expedite the  
14      development and implementation of controls de-  
15      signed to deter money laundering activities at cer-  
16      tain types of financial institutions.

17   **SEC. 3. AMENDMENTS RELATING TO REPORTING OF SUS-**  
18                                   **PICIOUS ACTIVITIES.**

19       (a) AMENDMENT RELATING TO CIVIL LIABILITY IM-  
20      MUNITY FOR DISCLOSURES.—Section 5318(g)(3) of title  
21      31, United States Code, is amended to read as follows:

22                   “(3) LIABILITY FOR DISCLOSURES.—

23                           “(A) IN GENERAL.—Notwithstanding any  
24                   other provision of law, an exempted entity, as  
25                   defined in subparagraph (B), shall not be liable

1 to any person under any law or regulation of  
2 the United States, any constitution, law, or reg-  
3 ulation of any State or political subdivision  
4 thereof, or under any contract or other legally  
5 enforceable agreement (including any arbitra-  
6 tion agreement), for a disclosure described in  
7 subparagraph (B)(i), or for any failure to notify  
8 the person who is the subject of the disclosure  
9 or any other person identified in the disclosure.

10 “(B) EXEMPTED ENTITIES.—For purposes  
11 of this paragraph, the term ‘exempted entity’  
12 means—

13 “(i) any financial institution that—

14 “(I) makes a disclosure of any  
15 possible violation of law or regulation  
16 to an appropriate government agency;  
17 or

18 “(II) makes a disclosure pursu-  
19 ant to this subsection or any other au-  
20 thority;

21 “(ii) any director, officer, employee, or  
22 agent of an institution referred to in clause  
23 (i) who makes, or requires another to make  
24 a disclosure referred to in clause (i); and

1                   “(iii) any independent public account-  
2                   ant who audits any such financial institu-  
3                   tion and makes a disclosure described in  
4                   clause (i).”.

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

8                   “(2) NOTIFICATION PROHIBITED.—

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

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

24                         “(ii) no other person, including any  
25                         officer or employee of any government,

1           who has any knowledge that such report  
2           was made, may disclose to any other per-  
3           son or government agency the fact that  
4           such report was made.

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

16          “(C) COORDINATION WITH PARAGRAPH  
17          (5).—Subparagraph (A) shall not be construed  
18          to prohibit any financial institution, or any di-  
19          rector, officer, employee, or agent of a financial  
20          institution, from including, in a written employ-  
21          ment reference that is provided in accordance  
22          with paragraph (5) in response to a request  
23          from another financial institution, information  
24          that was included in a report to which subpara-  
25          graph (A) applies, but such written employment

1 reference may not disclose that the information  
2 was also included in any such report or that a  
3 report was made.”.

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

8 “(5) EMPLOYMENT REFERENCES MAY INCLUDE  
9 SUSPICIONS OF INVOLVEMENT IN ILLEGAL ACTIV-  
10 ITY.—

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

1           “(B) LIMIT ON LIABILITY FOR DISCLO-  
2           SURES.—A financial institution, and any direc-  
3           tor, officer, employee, or agent of the institu-  
4           tion, shall not be liable to any person under any  
5           law or regulation of the United States, any con-  
6           stitution, law, or regulation of any State or po-  
7           litical subdivision thereof, or under any contract  
8           or other legally enforceable agreement (includ-  
9           ing any arbitration agreement), for any disclo-  
10          sure under subparagraph (A), to the extent  
11          that—

12                   “(i) the disclosure does not contain in-  
13                   formation that the institution, director, of-  
14                   ficer, employee, agent, or accountant  
15                   knows to be false; and

16                   “(ii) the institution, director, officer,  
17                   employee, agent, or accountant has not  
18                   acted with malice or with reckless dis-  
19                   regard for the truth in making the disclo-  
20                   sure.

21           “(C) INSTITUTION-AFFILIATED PARTY DE-  
22           FINED.—For purposes of this paragraph, the  
23           term ‘institution-affiliated party’ has the same  
24           meaning as in section 3(u) of the Federal De-  
25           posit Insurance Act, except that section 3(u)

1 shall be applied by substituting the term ‘finan-  
2 cial institution’ for the term ‘insured depository  
3 institution’.”.

4 (d) AMENDMENTS RELATING TO AVAILABILITY OF  
5 SUSPICIOUS ACTIVITY REPORTS FOR OTHER AGEN-  
6 CIES.—Section 5319 of title 31, United States Code, is  
7 amended—

8 (1) in the first sentence, by striking “5314, or  
9 5316” and inserting “5313A, 5314, 5316, or  
10 5318(g)”;

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

14 (3) by adding at the end the following: “The  
15 Secretary of the Treasury may permit the dissemi-  
16 nation of information in any such report to any self-  
17 regulatory organization (as defined in section  
18 3(a)(26) of the Securities Exchange Act of 1934), if  
19 the Securities and Exchange Commission determines  
20 that the dissemination is necessary or appropriate to  
21 permit the self-regulatory organization to perform  
22 its functions under the Securities Exchange Act of  
23 1934 and regulations prescribed under that Act.”.

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

2 Section 5318(b)(1) of title 31, United States Code,  
3 is amended by inserting “examinations to determine com-  
4 pliance with the requirements of this subchapter, section  
5 21 of the Federal Deposit Insurance Act, and chapter 2  
6 of Public Law 91–508 and regulations prescribed pursu-  
7 ant to those provisions, investigations relating to reports  
8 filed by financial institutions or other persons pursuant  
9 to any such provision or regulation, and” after “in connec-  
10 tion with”.

11 **SEC. 5. PENALTIES FOR VIOLATIONS OF GEOGRAPHIC TAR-**  
12 **GETING ORDERS AND CERTAIN RECORD-**  
13 **KEEPING REQUIREMENTS.**

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

18 (b) CRIMINAL PENALTIES FOR VIOLATION OF TAR-  
19 GETING ORDER.—Subsections (a) and (b) of section 5322  
20 of title 31, United States Code, are amended by inserting  
21 “or order issued” after “regulation prescribed” each place  
22 that term appears.

23 (c) STRUCTURING TRANSACTIONS TO EVADE TAR-  
24 GETING ORDER OR CERTAIN RECORDKEEPING REQUIRE-  
25 MENTS.—Section 5324(a) of title 31, United States Code,  
26 is amended—

1 (1) by inserting a comma after “shall”;

2 (2) by striking “section—” and inserting “sec-  
3 tion, the reporting requirements imposed by any  
4 order issued under section 5326, or the record-  
5 keeping requirements imposed by any regulation pre-  
6 scribed under section 21 of the Federal Deposit In-  
7 surance Act or section 123 of Public Law  
8 91-508—”; and

9 (3) in paragraphs (1) and (2), by inserting  
10 “, to file a report required by any order issued under  
11 section 5326, or to maintain a record required pur-  
12 suant to any regulation prescribed under section 21  
13 of the Federal Deposit Insurance Act or section 123  
14 of Public Law 91-508” after “regulation prescribed  
15 under any such section” each place that term ap-  
16 pears.

17 (d) INCREASE IN CIVIL PENALTIES FOR VIOLATION  
18 OF CERTAIN RECORDKEEPING REQUIREMENTS.—

19 (1) FEDERAL DEPOSIT INSURANCE ACT.—Sec-  
20 tion 21(j)(1) of the Federal Deposit Insurance Act  
21 (12 U.S.C. 1829b(j)(1)) is amended by striking  
22 “\$10,000” and inserting “the greater of—

23 “(A) the amount (not to exceed \$100,000)  
24 involved in the transaction (if any) with respect  
25 to which the violation occurred; or

1 “(B) \$25,000”.

2 (2) PUBLIC LAW 91–508.—Section 125(a) of  
3 Public Law 91–508 (12 U.S.C. 1955(a)) is amended  
4 by striking “\$10,000” and inserting “the greater  
5 of—

6 “(1) the amount (not to exceed \$100,000) in-  
7 volved in the transaction (if any) with respect to  
8 which the violation occurred; or

9 “(2) \$25,000”.

10 (e) CRIMINAL PENALTIES FOR VIOLATION OF CER-  
11 TAIN RECORDKEEPING REQUIREMENTS.—

12 (1) SECTION 126.—Section 126 of Public Law  
13 91–508 (12 U.S.C. 1956) is amended to read as fol-  
14 lows:

15 **“SEC. 126. CRIMINAL PENALTY.**

16 “A person that willfully violates this chapter, section  
17 21 of the Federal Deposit Insurance Act, or a regulation  
18 prescribed under this chapter or that section 21, shall be  
19 fined not more than \$250,000, or imprisoned for not more  
20 than 5 years, or both.”.

21 (2) SECTION 127.—Section 127 of Public Law  
22 91–508 (12 U.S.C. 1957) is amended to read as fol-  
23 lows:

1 **“SEC. 127. ADDITIONAL CRIMINAL PENALTY IN CERTAIN**  
2 **CASES.**

3 “A person that willfully violates this chapter, section  
4 21 of the Federal Deposit Insurance Act, or a regulation  
5 prescribed under this chapter or that section 21, while vio-  
6 lating another law of the United States or as part of a  
7 pattern of any illegal activity involving more than  
8 \$100,000 in a 12-month period, shall be fined not more  
9 than \$500,000, imprisoned for not more than 10 years,  
10 or both.”

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

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

15 **SEC. 7. LIMITED EXEMPTION FROM PAPERWORK REDUC-**  
16 **TION ACT.**

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

19 (1) by redesignating subparagraphs (C) and  
20 (D) as subparagraphs (D) and (E), respectively; and

21 (2) by inserting after subparagraph (B) the fol-  
22 lowing new subparagraph:

23 “(C) pursuant to regulations prescribed or or-  
24 ders issued by the Secretary of the Treasury under  
25 section 5318(h) or 5326 of title 31;”.

1 **SEC. 8. TRANSFER OF REPORTING REQUIREMENTS FROM**  
2 **SECTION 6050I OF THE INTERNAL REVENUE**  
3 **CODE OF 1986 TO TITLE 31, UNITED STATES**  
4 **CODE.**

5 (a) REENACTMENT OF SECTION 6050I.—Subchapter  
6 2 of chapter 53 of title 31, United States Code, is amend-  
7 ed by inserting after section 5313 the following new sec-  
8 tion:

9 **“SEC. 5313A. REPORTS RELATING TO COINS AND CUR-**  
10 **RENCY RECEIVED IN NONFINANCIAL TRADE**  
11 **OR BUSINESS.**

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

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

15 “(2) who, in the course of that trade or busi-  
16 ness, receives more than \$10,000 in coins or cur-  
17 rency in 1 transaction (or 2 or more related trans-  
18 actions),

19 shall file a report described in subsection (b) with respect  
20 to the transaction (or related transactions) at such time  
21 as the Secretary may by regulation prescribe.

22 “(b) FORM AND MANNER OF REPORTS.—A report is  
23 described in this subsection if the report—

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

26 “(2) contains—

1           “(A) the name, address, and taxpayer  
2           identification number of the person from whom  
3           the coins or currency was received;

4           “(B) the amount of coins or currency re-  
5           ceived;

6           “(C) the date and nature of the trans-  
7           action; and

8           “(D) such other information as the Sec-  
9           retary may prescribe.

10          “(c) EXCEPTIONS.—

11           “(1) AMOUNTS RECEIVED BY FINANCIAL INSTI-  
12           TUTIONS.—Subsection (a) does not apply to  
13           amounts received in a transaction reported under  
14           section 5313 and regulations prescribed under that  
15           section.

16           “(2) TRANSACTIONS OCCURRING OUTSIDE THE  
17           UNITED STATES.—Except to the extent provided in  
18           regulations prescribed by the Secretary, subsection  
19           (a) does not apply to any transaction if the entire  
20           transaction occurs outside of the United States.

21          “(d) CURRENCY INCLUDES FOREIGN CURRENCY AND  
22          CERTAIN MONETARY INSTRUMENTS.—

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

25           “(A) foreign currency; and

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

5           “(2) SCOPE OF APPLICATION.—Paragraph  
6           (1)(B) does not apply to any check drawn on the ac-  
7           count of the writer in a financial institution referred  
8           to in subparagraph (A), (B), (C), (D), (E), (F), (G),  
9           (J), (K), (R), or (S) of section 5312(a)(2).

10          “(e) COINS OR CURRENCY RECEIVED BY CRIMINAL  
11 COURT CLERKS.—

12           “(1) IN GENERAL.—Each clerk of a Federal or  
13           State criminal court who receives more than \$10,000  
14           in coins or currency as bail for any individual  
15           charged with a specified criminal offense shall file a  
16           report described in paragraph (2) (at such time as  
17           the Secretary may by regulation prescribe) with re-  
18           spect to the receipt of such bail.

19           “(2) REPORT.—A report is described in this  
20           paragraph if the report—

21                   “(A) is in such form as the Secretary may  
22                   prescribe; and

23                   “(B) contains—

24                           “(i) the name, address, and taxpayer  
25                           identification number of—

1                   “(I) the individual charged with  
2                   the specified criminal offense; and

3                   “(II) each person posting the bail  
4                   (other than a person licensed as a bail  
5                   bondsman);

6                   “(ii) the amount of coins or currency  
7                   received;

8                   “(iii) the date on which the coins or  
9                   currency were received; and

10                  “(iv) such other information as the  
11                  Secretary may prescribe.

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

15                  “(A) any Federal criminal offense involv-  
16                  ing a controlled substance;

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

20                  “(C) money laundering (as defined in sec-  
21                  tion 1956 or 1957 of title 18, United States  
22                  Code); and

23                  “(D) any State criminal offense that is  
24                  substantially similar to an offense described in

1           subparagraph (A), (B), or (C) of this para-  
2           graph.

3           “(4) INFORMATION TO FEDERAL PROSECU-  
4           TORS.—Each clerk required to include in a report  
5           under paragraph (1) the information described in  
6           paragraph (2)(B) with respect to an individual de-  
7           scribed in paragraph (2)(B)(i)(I) shall furnish (at  
8           such time as the Secretary may by regulation pre-  
9           scribe) a written statement showing such informa-  
10          tion to the United States Attorney for the jurisdic-  
11          tion in which the individual resides and the jurisdic-  
12          tion in which the specified criminal offense occurred.

13          “(5) INFORMATION TO PAYORS OF BAIL.—Each  
14          clerk required to file a report under paragraph (1)  
15          shall furnish (at such time as the Secretary may by  
16          regulation prescribe) to each person whose name is  
17          required to be set forth in the report by reason of  
18          paragraph (2)(B)(i)(II) a written statement show-  
19          ing—

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

22                 “(B) the aggregate amount of coins and  
23                 currency described in paragraph (1) received by  
24                 the clerk.”.

1 (b) PROHIBITION ON STRUCTURING TRANS-  
2 ACTIONS.—

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

5 (A) by redesignating subsections (b) and  
6 (c) as subsections (c) and (d), respectively; and

7 (B) by inserting after subsection (a) the  
8 following new subsection:

9 “(b) DOMESTIC COIN AND CURRENCY TRANS-  
10 ACTIONS INVOLVING NONFINANCIAL TRADES OR BUSI-  
11 NESSES.—No person shall, for the purpose of evading the  
12 reporting requirements of section 5313A or any regulation  
13 prescribed under that section—

14 “(1) cause or attempt to cause a nonfinancial  
15 trade or business to fail to file a report required  
16 under section 5313A or any regulation prescribed  
17 under that section;

18 “(2) cause or attempt to cause a nonfinancial  
19 trade or business to file a report required under sec-  
20 tion 5313A or any regulation prescribed under that  
21 section that contains a material omission or  
22 misstatement of fact; or

23 “(3) structure or assist in structuring, or at-  
24 tempt to structure or assist in structuring, any

1 transaction with 1 or more nonfinancial trades or  
2 businesses.”.

3 (2) TECHNICAL AND CONFORMING AMEND-  
4 MENTS.—Title 31, United States Code, is amend-  
5 ed—

6 (A) in the subsection heading for section  
7 5324(a), by inserting “INVOLVING FINANCIAL  
8 INSTITUTIONS” after “TRANSACTIONS”; and

9 (B) in section 5317(c), by striking  
10 “5324(b)” and inserting “5324(c)”.

11 (c) DEFINITION OF NONFINANCIAL TRADE OR BUSI-  
12 NESS.—

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

15 (A) by redesignating paragraphs (4) and  
16 (5) as paragraphs (5) and (6), respectively; and

17 (B) by inserting after paragraph (3) the  
18 following new paragraph:

19 “(4) The term ‘nonfinancial trade or business’  
20 means any trade or business, other than a financial  
21 institution, that is subject to the reporting require-  
22 ments of section 5313 and regulations prescribed  
23 under that section.”.

24 (2) TECHNICAL AND CONFORMING AMEND-  
25 MENTS.—

1 (A) TITLE 31.—Title 31, United States  
2 Code, is amended—

3 (i) in section 5312(a)(3)(C), by strik-  
4 ing “section 5316,” and inserting “sections  
5 5313A and 5316,”; and

6 (ii) in subsections (a) through (f) of  
7 section 5318, and in sections 5326 and  
8 5328, by inserting “or nonfinancial trade  
9 or business” after “financial institution”  
10 each place that term appears.

11 (B) TITLE 18.—Title 18, United States  
12 Code, is amended—

13 (i) in section 981(a)(1)(A), by striking  
14 “5313(a) or 5324(a) of title 31,” and in-  
15 sserting “5313(a) or 5313A of title 31, of  
16 subsection (a) or (b) of section 5324 of  
17 title 31,”; and

18 (ii) in section 982(a)(1), by inserting  
19 “5313A,” after “5313(a),”.

20 (d) REPEAL OF DUPLICATE PROVISION.—Section  
21 6050I of the Internal Revenue Code of 1986 is repealed.

22 (e) CLERICAL AMENDMENTS.—

23 (1) TITLE 31.—The table of sections for chap-  
24 ter 53 of title 31, United States Code, is amended

1 by inserting after the item relating to section 5313  
2 the following new item:

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

3 (2) INTERNAL REVENUE CODE OF 1986.—The  
4 Internal Revenue Code of 1986 is amended—

5 (A) in the table of sections for subpart B  
6 of part III of subchapter A of chapter 61, by  
7 striking the item relating to section 6050I;

8 (B) in section 6103—

9 (i) in subsection (l), by striking para-  
10 graph (15);

11 (ii) in subsection (p)(3)(A), by strik-  
12 ing “(15),”;

13 (iii) in subsection (p)(4), in the mate-  
14 rial preceding subparagraph (A), by strik-  
15 ing “(12)” and all that follows through  
16 “(16)” and inserting “(12), or (16)”;

17 (iv) in subsection (p)(4)(F)(ii), by  
18 striking “(14), or (15)” and inserting “or  
19 (14)”;

20 (C) in section 6721(e)(2)—

21 (i) in subparagraph (A), by striking  
22 “6050I,” and by adding “or” at the end;

23 (ii) in subparagraph (B), by striking  
24 “or” at the end and inserting “and”; and

1 (iii) by striking subparagraph (C);

2 (D) in section 6724(d)(1)(B), by striking  
3 clause (iv), and by redesignating clauses (v)  
4 through the first clause designated as clause  
5 (xv) as clauses (iv) through (xiv), respectively;

6 (E) in section 6724(d)(2), by striking sub-  
7 paragraph (K), and by redesignating subpara-  
8 graphs (L) through (Z) as subparagraphs (K)  
9 through (Y), respectively; and

10 (F) in section 7203, by striking the last  
11 sentence.

12 (f) REGULATIONS; EFFECTIVE DATE.—

13 (1) REGULATIONS.—Regulations that the Sec-  
14 retary of the Treasury determines are necessary to  
15 implement this section shall be published in final  
16 form before the end of the 6-month period beginning  
17 on the date of enactment of this Act.

18 (2) EFFECTIVE DATE.—The amendments made  
19 by this section shall take effect at the end of the 6-  
20 month period beginning on the date on which the  
21 regulations referred to in paragraph (1) are pub-  
22 lished in final form.

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

24 It is the sense of the Congress that the Secretary of  
25 the Treasury should, in conjunction with the Board of

- 1 Governors of the Federal Reserve System, expedite the
- 2 promulgation of “know your customer” regulations for fi-
- 3 nancial institutions.

