



DEPARTMENT OF THE TREASURY  
WASHINGTON, D.C. 20220

January 31, 2018

The Honorable Denny Heck  
U.S. House of Representatives  
Washington, DC 20515

Dear Representative Heck:

Thank you for your January 17, 2018 letter regarding the guidance that the Financial Crimes Enforcement Network (FinCEN) issued in 2014 to clarify its expectations concerning the Bank Secrecy Act (BSA) compliance obligations of financial institutions with respect to marijuana-related businesses to which they provide financial services.<sup>1</sup>

FinCEN is the unit of the Treasury Department to which the Secretary of the Treasury has delegated Treasury's authority to administer and enforce the BSA. FinCEN issues regulations, rulings, and guidance that establish the BSA compliance obligations of U.S. financial institutions. FinCEN's goal is to protect the U.S. financial system from being exploited for money laundering, terrorist financing, and other crimes. The primary objective of FinCEN's 2014 guidance, consistent with the purpose of the BSA, was to enhance financial transparency and mitigate the risks associated with providing financial services to all-cash businesses, such as many in the marijuana industry. The 2014 guidance instructs financial institutions to file reports that contain information of particular importance to federal, state, and local law enforcement.

The 2014 guidance was prompted by the Justice Department's guidance on marijuana-related enforcement priorities, but clarified portions of FinCEN regulations that implemented the BSA. The SAR reporting structure set forth in FinCEN's February 2014 guidance remains in place. We are reviewing the guidance in light of the Attorney General's announcement and are consulting with law enforcement. We continue to work closely with law enforcement and the financial sector to combat illicit finance and will notify the financial sector and supervisory authorities of any changes to FinCEN's SAR reporting expectations, in general and specifically with respect to the provision of financial services to marijuana-related businesses.

Thank you again for contacting us on this important matter. If you have any further questions or concerns, please feel free to contact me or have your staff contact Luke Ballman, Office of Legislative Affairs, at (202) 622-1900.

Sincerely,

Drew Maloney  
Assistant Secretary for Legislative Affairs

Identical Letter Sent To:  
The Honorable Ed Perlmutter

<sup>1</sup> FIN-2014-G001, *BSA Expectations Regarding Marijuana-Related Businesses*, issued February 14, 2014 (2014 guidance), available at <https://www.fincen.gov/resources/statutes-regulations/guidance/bsa-expectations-regarding-marijuana-related-businesses>.