



FEDERAL RESERVE BANK
OF DALLAS

ROBERT D. McTEER, JR.
PRESIDENT
AND CHIEF EXECUTIVE OFFICER

DALLAS, TEXAS
75265-5906

April 23, 1999

Notice 99-24

TO: The Chief Executive Officer of each
financial institution and others concerned
in the Eleventh Federal Reserve District

SUBJECT

**Withdrawal of the
*Know Your Customer Regulation***

DETAILS

The Board of Governors of the Federal Reserve System has withdrawn its proposed *Know Your Customer* regulation that was issued for public comment in this Bank's Notice 99-01. The Board, acting along with the Federal Deposit Insurance Corporation, the Office of the Comptroller of the Currency, and the Office of Thrift Supervision, withdrew the proposal in response to comments received.

The agencies received an unprecedented number of comments on the proposal from the public, banking organizations, industry trade associations, and members of Congress. Most of the comments reflect public concern over the privacy of information that would be collected and held by financial institutions. Also, many comments addressed the expected burden the proposed rule would impose on banks and savings associations.

The agencies' withdrawal of the proposed rule does not diminish in any manner our long-standing support for the anti-money laundering provisions of the Bank Secrecy Act. Over the past 15 years, banking organizations and law enforcement authorities have forged a vital partnership to fight financial crime. This partnership will continue and will evolve as technology and other factors intensify the challenges we face.

MORE INFORMATION

For more information, please contact Tom Atkins at (214) 922-6238. For additional copies of this Bank's notice, contact the Public Affairs Department at (214) 922-5254.

Sincerely yours,

A handwritten signature in cursive script that reads "Robert D. McTeer, Jr.".