

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 4766]
August 3, 1959]

REPORTS OF LARGE AND UNUSUAL CURRENCY TRANSACTIONS

Revised Report Form and Instructions

*To all Banks and Other Financial Institutions
in the Second Federal Reserve District:*

The Treasury Department has asked us to transmit to you a letter from the Secretary of the Treasury announcing the revision of Form TCR-1 for filing reports of large and unusual currency transactions and requesting the continued cooperation of financial institutions in the proper reporting of such transactions. A copy of the letter is printed on the reverse side of this circular.

As indicated in the Secretary's letter, there is enclosed a copy of the current instructions relating to reports of currency transactions and a copy of the new Form TCR-1. Upon exhausting the supply you now have on hand of the old Form TCR-1, we will furnish supplies of the new form upon request. Requests should be addressed to the Receiving Section, Cash Department, Federal Reserve Bank of New York, Federal Reserve P. O. Station, New York 45, N. Y.

Additional copies of this circular and of the revised instructions relating to reports of currency transactions will also be furnished upon request.

ALFRED HAYES,
President.

(OVER)



THE SECRETARY OF THE TREASURY
WASHINGTON

August 3, 1959

To Banks and Other Financial Institutions:

Since 1945 the Treasury Department regulations have required every financial institution in the United States to file on Form TCR-1, Report of Currency Transactions, monthly reports of large and unusual currency transactions. This form has now been revised and simplified to permit easier preparation by financial institutions and increased usefulness to the Treasury Department's Internal Revenue Service. In addition, only one copy of the new smaller form is to be submitted instead of two copies as required heretofore. The supply of old forms should continue to be used until exhausted, but only one copy of each report should be filed.

In view of the fact that recently there has been a wide variance among financial institutions with respect to reporting large or unusual currency transactions, I would like to again emphasize how important full and careful reporting by banks is to the Internal Revenue Service. These reports were originally developed for the purpose of discovering large currency transactions resorted to by racketeers, dealers in narcotics, foreign agents, and others engaged in illegal activities as an attempted method of concealing income. Particularly, the reports have been of invaluable assistance to the Internal Revenue Service in breaking some of the largest income tax evasion cases. For example, in fiscal years 1957 and 1958, the Revenue Service completed 129 fraud cases involving additional tax and penalties of approximately \$13,500,000 which originated from information contained in Forms TCR-1 submitted by banks and other financial institutions.

The Internal Revenue Service has recently revised its procedure to provide for better utilization of the currency reports and tighter controls for their handling by its employees. Instructions were issued again cautioning Internal Revenue employees that the reporting of currency transactions by financial institutions should not be divulged to the customers of the reporting institutions.

At this time I would like also to call to your attention the importance of financial institutions requiring satisfactory identification. Instances have recently been brought to our attention in which individuals have engaged in large and unusual currency transactions and have furnished false or inadequate identification. Transactions of this nature can have far-reaching effects on the protection of the Federal revenue, and all banks and other financial institutions are requested to guard against those transactions where satisfactory identification is not furnished by persons or organizations (including any agents or couriers) engaged in currency transactions. Attention is invited to the Instructions Relating to Reports of Currency Transactions, which provide in part:

"Section 102.3. Identification required. No financial institutions shall effect any transaction with respect to which a report is required unless the person or organization with whom such transaction is to be effected has been satisfactorily identified."

A recent survey of the forms filed indicates that some financial institutions are not submitting reports when it appears obvious that the criteria for the submission of reports have been met; while, on the other hand, there are indications that some few reports are received of cash transactions which are ordinary, necessary, and commensurate with the customary financial requirements of the persons or organizations making the transactions. Therefore, I would like to urge all financial institutions to re-examine their methods of handling this program. There are attached a copy of the current instructions and the new Form TCR-1. It may be that because of the constant pressures of day-to-day problems, and in some instances the mergers of banks, some officials of financial institutions are unfamiliar with the Treasury Department's currency reporting program. Officials of all banks and other financial institutions are requested to give their wholehearted cooperation in furnishing information to enable the Internal Revenue Service to identify the few tax cheats, thereby helping to protect the economic and financial interests of the vast majority of our citizens.

I am sure that upon reviewing this matter all financial institutions will realize the importance of proper reporting and assisting the Treasury Department in this area as they have in so many other ways. The Treasury Department is grateful for the assistance rendered it by the financial institutions of the country.

Sincerely,

ROBERT B. ANDERSON
Secretary of the Treasury

TITLE 31 — MONEY AND FINANCE: TREASURY

SUBTITLE B — REGULATIONS RELATING TO MONEY AND FINANCE

CHAPTER I — MONETARY OFFICES, DEPARTMENT OF THE TREASURY

PART 102 — INSTRUCTIONS RELATING TO REPORTS OF CURRENCY TRANSACTIONS

Part 102, Chapter I, Subtitle B, Title 31, of the Code of Federal Regulations of the United States, is hereby revised to read as follows:

Sec.

102.1 Reports of currency transactions required.

102.2 Filing of reports.

102.3 Identification required.

102.4 Definitions.

AUTHORITY: §§ 102.1 to 102.4 issued under R. S. 251, sec. 5(b), 40 Stat. 415, as amended; 31 U. S. C. 427, 12 U. S. C. 95a and note, E. O. 8389, as amended by E. O.'s 8405, 8446, 8484, 8493, 8565, 8701, 8711, 8721, 8746, 8785, 8832, 8963, 8998, 9760, 3 CFR, 1943 Cum. Supp., 3 CFR, 1943-1948 Comp., E. O. 9193, as amended by E. O.'s 9567, 9788, 3 CFR, 1943 Cum. Supp., 3 CFR, 1943-1948 Comp.

§ 102.1 **Reports of currency transactions required.** Commencing with transactions occurring in the month of August 1959, every financial institution in the United States shall file monthly reports on Form TCR-1 concerning each deposit or withdrawal, or other payment or transfer, effected by, through, or to such financial institution, which involves transactions in United States currency as follows:

(a) Transactions involving \$2,500 or more of United States currency in denominations of \$100 or higher;

(b) Transactions involving \$10,000 or more of United States currency in any denominations, and

(c) Transactions involving any amount in any denominations, which in the judgment of the financial institution exceed those commensurate with the customary conduct of the business, industry or profession of the person or organization concerned.

§ 102.2 **Filing of reports.** Reports on Form TCR-1 shall be filed on or before the 15th day of the month following that in which the reported transactions occur, with the Federal Reserve Bank of the district in which the reporting financial institution is located. All information called for in such form shall be furnished. A supply of Form TCR-1 may be obtained upon request directed to any Federal Reserve Bank.

§ 102.3 **Identification required.** No financial institution shall effect any transaction with respect to which a report is required unless the person or organizations with whom such transaction is to be effected has been satisfactorily identified.

§ 102.4 **Definitions.** As used in this part "payment or transfer" shall include exchange of currency; and "financial institutions" shall mean banks, trust companies, savings banks, private bankers, investment bankers, building and loan associations, securities and commodities brokers, and currency exchanges and other persons or organizations engaged primarily in cashing checks and exchanging currency.

ROBERT B. ANDERSON
Secretary of the Treasury

Dated: AUGUST 3, 1959

INSTRUCTIONS

This report is required pursuant to Treasury Department regulations revised August 3, 1959 (31 Code of Federal Regulations 102).

Forms TCR-1 shall be prepared in original only for currency transactions involving United States currency as follows:

1. Transactions involving \$2,500 or more of United States currency in denominations of \$100 or higher ;
2. Transactions involving \$10,000 or more of United States currency in any denominations, and
3. Transactions involving any amount in any denominations, which in the judgment of the financial institution exceed those commensurate with the customary conduct of the business, industry or profession of the person or organization concerned.

Reports shall be filed on or before the 15th day of the month following that in which the reported transactions occur, with the Federal Reserve Bank of the district in which the reporting financial institution is located. Copies of this form may be obtained from any Federal Reserve Bank.