



DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

31 CFR Parts 1010, 1020, and 1022

RIN 1506-AB47

Requirements for Certain Transactions Involving Convertible Virtual Currency or Digital Assets

AGENCY: Financial Crimes Enforcement Network (“FinCEN”), Treasury.

ACTION: Notice of proposed rulemaking; extension of comment period.

SUMMARY: On December 23, 2020, FinCEN published a notice of proposed rulemaking (the “NPRM”) proposing requirements for banks and money services businesses (“MSBs”) related to certain transactions involving convertible virtual currency (“CVC”) or digital assets with legal tender status (“LTDA”). On January 15, 2021, FinCEN published a document reopening the comment period for the NPRM (the “Reopening Notice”). In the Reopening Notice, FinCEN provided an additional 15 days for comments on the NPRM’s proposed reporting requirements regarding information on CVC or LTDA transactions greater than \$10,000, or aggregating to greater than \$10,000, that involve unhosted wallets or wallets hosted in a jurisdiction identified by FinCEN. FinCEN further provided in the Reopening Notice for an additional 45 days for comments on the NPRM’s proposed requirements that banks and MSBs report certain information regarding counterparties to transactions by their hosted wallet customers, and on the NPRM’s proposed recordkeeping requirements. This notice of extension of comment period (“Extension Notice”) extends the reopened comment period to allow additional time to respond to all aspects of the NPRM and sets one closing date for the comment period, instead of the two currently in effect. Accordingly, all comments to the proposed NPRM are now due 60 days from the date of publication of this Extension Notice.

DATES: The comment period for the proposed rule published on December 23, 2020 (85 FR 83840), which was extended on January 15, 2021 (86 FR 3897), is further extended.

Comments must be received by **[INSERT DATE 60 DAYS AFTER PUBLICATION IN THE *FEDERAL REGISTER*]**.

ADDRESSES: Comments may be submitted by any of the following methods:

- Federal E-rulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments. Refer to Docket Number FINCEN-2020-0020 and the specific RIN number 1506-AB47 to which the comment applies.
- Mail: Policy Division, Financial Crimes Enforcement Network, P.O. Box 39, Vienna, VA 22183. Refer to Docket Number FINCEN-2020-0020 and the specific RIN number.

FOR FURTHER INFORMATION CONTACT:

The FinCEN Regulatory Support Section at 1-800-767-2825 or electronically at frc@fincen.gov.

SUPPLEMENTARY INFORMATION:

The NPRM was published in the *Federal Register* on December 23, 2020.¹ In the NPRM, FinCEN proposed to address the threat of illicit finance with respect to certain transactions involving CVC or LTDA by (i) establishing new reporting requirements for certain CVC or LTDA transactions analogous to existing currency transaction reports, and (ii) establishing new recordkeeping requirements for certain CVC or LTDA transactions that are similar to the recordkeeping and travel rule requirements pertaining to funds transfers and transmittals of funds. The original comment period formally closed on January 7, 2021, although FinCEN took steps to ensure comments could still be received after that date. In the Reopening Notice, published on January 15, 2021, FinCEN reopened the comment period.² Specifically, FinCEN provided an additional 15 days for comments on the NPRM's proposed reporting requirements regarding information on CVC or LTDA transactions greater than \$10,000, or aggregating to greater than \$10,000, that involve unhosted wallets or wallets hosted

¹ Requirements for Certain Transactions Involving Convertible Virtual Currency or Digital Assets, 85 FR 83840 (Dec. 23, 2020).

² Requirements for Certain Transactions Involving Convertible Virtual Currency or Digital Assets, 86 FR 3897 (Jan. 15, 2021).

in a jurisdiction identified by FinCEN. FinCEN further provided in the Reopening Notice for an additional 45 days for comments on the NPRM's proposed requirements that banks and MSBs report certain information regarding counterparties to transactions by their hosted wallet customers, and on the NPRM's proposed recordkeeping requirements.

This Extension Notice extends the reopened comment period for all aspects of the NPRM's proposals to **[INSERT DATE 60 DAYS AFTER PUBLICATION IN THE *FEDERAL REGISTER*]**, thereby further extending the time to respond and making the timing of the two periods consistent, with one deadline for all comments to the NPRM.

By the Department of the Treasury.

Kenneth A. Blanco,
Director,
Financial Crimes Enforcement Network.

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