This document is scheduled to be published in the
Federal Register on 2026-11-09 and available online at
https://www.federalregister.gov/d/2026-22809, and on
https://govinfo.gov

BILLING CODE 4810-02

DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

31 CFR Parts 1010 and 1020

RIN 1506-AB41

Threshold for the Requirement to Collect, Retain, and Transmit Information on Funds Transfers and Transmittals of Funds That Begin or End Outside the United States, and Clarification of the Requirement to Collect, Retain, and Transmit Information on Transactions Involving Convertible Virtual Currencies and Digital Assets with Legal Tender Status; Withdrawal

AGENCY: Financial Crimes Enforcement Network (FinCEN), Treasury; Board of Governors of the Federal Reserve System (Board).

ACTION: Proposed rule; withdrawal.

SUMMARY: FinCEN and the Board (collectively, the "Agencies") are withdrawing the joint notice of proposed rulemaking (NPRM) published on October 27, 2020, that proposed modifying the threshold in the Agencies' rules implementing the Bank Secrecy Act (BSA) requiring financial institutions to collect and retain information on certain funds transfers and transmittals of funds. The NPRM would have reduced this threshold from $3,000 to $250 for funds transfers and transmittals of funds that begin or end outside the United States. FinCEN additionally proposed reducing from $3,000 to $250 the threshold in FinCEN's rule requiring financial institutions to transmit to other financial institutions in the payment chain information on funds transfers and transmittals

of funds that begin or end outside the United States. The NPRM also would have clarified the meaning of "money" as used in the Agencies' rules to specify that the rules apply to domestic and cross-border transactions involving convertible virtual currency (CVC) and digital assets that have legal tender status to a recipient. The Agencies will not take further action on this NPRM.

DATES: FinCEN and the Board are withdrawing the NPRM published at 85 FR 68005 (October 27, 2020), as of **[INSERT DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

FOR FURTHER INFORMATION CONTACT: FinCEN: The FinCEN Regulatory Support Section by submitting an inquiry at www.fincen.gov/contact.

Board: Evan Winerman, Deputy Associate General Counsel, (202) 872-7578, Legal Division, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue NW, Washington, DC 20551. Users of Telecommunication Device for Deaf (TDD) only, call (202) 263-4869.

SUPPLEMENTARY INFORMATION:

I. Background

Certain Federal regulations—often referred to as the "Recordkeeping Rule" and "Travel Rule"—collectively require banks and nonbank financial institutions to collect, retain, and transmit information on funds transfers and transmittals of funds in amounts of $3,000 or more.[1] The Recordkeeping Rule, which requires banks and nonbank

[1] *See* 31 CFR 1020.410(a), 1010.410(e) (Recordkeeping Rule); 31 CFR 1010.410(f) (Travel Rule). The Board's Regulation S incorporates the substantive requirements of the Recordkeeping Rule. *See* 12 CFR 219.23. For additional background on the Recordkeeping Rule and Travel Rule, see generally *Board and FinCEN*, *Threshold for the Requirement To Collect, Retain, and Transmit Information on Funds Transfers and Transmittals of Funds That Begin or End Outside the United States, and Clarification of the Requirement To Collect, Retain, and Transmit Information on Transactions Involving Convertible Virtual Currencies and Digital Assets With Legal Tender Status*, 85 FR 68005, 68006–07 (Oct. 27, 2020).

financial institutions to collect and retain information related to funds transfers and transmittals of funds that begin or end outside the United States, is jointly issued by both the Board and FinCEN. The Travel Rule, which requires banks and nonbank financial institutions to transmit information on funds transfers and transmittals of funds that begin or end outside the United States, is issued by FinCEN.

On October 27, 2020, FinCEN and the Board published a joint NPRM that proposed modifying the Recordkeeping Rule to reduce the threshold at which banks and nonbank financial institutions must collect and retain certain information from $3,000 to $250.[2] FinCEN additionally proposed to modify the Travel Rule to change the threshold at which banks and nonbank financial institutions must transmit information from $3,000 to $250.[3] The Agencies also proposed clarifying the meaning of "money" in these rules by revising the definitions of "payment order" and "transmittal order" to specify that the Recordkeeping Rule and Travel Rule apply to domestic and cross-border transactions involving CVC or any digital asset having legal tender status to a recipient.[4]

II. Summary of Public Comments

The Agencies received nearly 3,000 comments on the proposal from depository institutions, money services businesses, trade associations, individuals, and others.[5]

Commenters generally opposed the proposal to reduce the thresholds applicable to the Recordkeeping Rule and Travel Rule for international transactions. Many comments argued that a threshold of $250 would impose a significant regulatory burden on financial institutions, particularly smaller financial institutions; would disrupt the ability of

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[2] *See* 85 FR 68007–10.
[3] *See id.*
[4] *See* 85 FR 68010–11.
[5] A significant majority of these comment letters were substantially similar form letters.

consumers to send remittances overseas (and could potentially drive consumers into less regulated marketplaces); would significantly increase the number of transactions subject to the provisions of the Recordkeeping Rule and Travel Rule; and would increase the liability exposure of financial institutions required to maintain personally identifiable information. Many comments also noted that some potentially illicit transactions under the $3,000 threshold were already being reported to FinCEN through Suspicious Activity Reports (SARs). A number of commenters asserted that the Agencies did not provide sufficient analysis or data to justify the proposed reduction in the threshold. Several commenters stated that, rather than decrease the threshold, the Agencies should adopt a higher threshold due to the effects of inflation since the original threshold was adopted in 1995.

Commenter sentiment was mixed with respect to the proposal to specify that the Recordkeeping Rule and Travel Rule apply to CVC transactions. In general, companies that provide CVC-related services (and related trade associations) opposed this aspect of the proposal, while some depository institutions, money services businesses, and related trade associations supported this aspect of the proposal. Commenters opposed to this aspect of the proposal stated that implementing the proposal would be challenging (e.g., due to technological limitations and the lack of an international messaging standard for CVC transactions), that the proposal would inhibit CVC innovation, and that the Agencies should improve coordination with other regulators who were, at that time, simultaneously developing rules affecting the CVC industry.

Many commenters offered more general comments on the proposal, including that the proposal would constitute an unwarranted invasion of privacy or an unreasonable

search and seizure in violation of the Fourth Amendment. Many commenters also stated that the comment period on the proposal was insufficient, and that, if the Agencies finalize the proposal, the proposed implementation period should be extended.

III. Withdrawal of NPRM

The Agencies have reconsidered the proposal in light of the public comments received and have determined to withdraw the joint NPRM for two primary reasons. First, more than five years have passed since the issuance of the NPRM, and the Agencies believe that additional feedback from the public would be useful before the Agencies adopted any amendments to the Recordkeeping Rule or Travel Rule that are similar to the proposed amendments. The proposal is being withdrawn to provide certainty to the public that no final rule will be issued without an additional opportunity for public comment.

Second, and relatedly, the Agencies believe that there have been significant recent developments in the CVC industry since the proposal was issued. For example, CVC markets have continued to mature, and new legal frameworks are emerging.[6] The Agencies believe that any future, potential amendments to the Recordkeeping Rule and Travel Rule related to CVC should be considered in light of these recent developments to ensure that such amendments are fit for purpose.[7]

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[6] For example, on July 18, 2025, a Federal statute establishing a regulatory framework for payment stablecoins was enacted. Guiding and Establishing National Innovation for U.S. Stablecoins (GENIUS) Act, Pub. L. 119-27; 12 U.S.C. 5901 *et seq*.

[7] *See* White House, *Strengthening American Leadership in Digital Financial Technology*, p. 100 (July 2025), https://www.whitehouse.gov/wp-content/uploads/2025/07/Digital-Assets-Report-EO14178.pdf; *see also* E.O. 14178, 90 FR 8647 (Jan. 31, 2025).

Because the Agencies no longer intend to issue a final rule with respect to this proposal, the NPRM published at 85 FR 68005 is hereby withdrawn.

Jimmy L. Kirby,
Deputy Director,
Financial Crimes Enforcement Network.

Jointly issued by:

By order of the Board of Governors of the Federal Reserve System.
Benjamin McDonough,
Secretary of the Board.

[FR Doc. 2026-22809 Filed: 11/6/2026 8:45 am; Publication Date: 11/9/2026]