



FIN-2013-A007

September 27, 2013

Advisory

Supplement on U.S. Currency Restrictions on Banks in Mexico

Update regarding activity associated with regulatory restrictions imposed on Mexican financial institutions for transactions in U.S. currency.

The Financial Crimes Enforcement Network (FinCEN) is issuing this Advisory to update financial institutions on activity associated with

regulatory restrictions imposed on Mexican financial institutions for transactions in U.S. currency.

Background

On June 16, 2010, the Mexican finance ministry published new anti-money laundering regulations that restrict the amounts of physical cash (bank notes and coins) denominated in U.S. dollars that Mexican financial institutions may receive. FinCEN subsequently issued an [Advisory](#) informing U.S. financial institutions of these restrictions and potential activity they may observe.¹

In 2012, FinCEN issued a supplemental [Advisory](#) that provided an update on the U.S. currency restrictions in Mexico and noted patterns of activity that appear to be related to the restrictions.² Since the issuance of these advisories, U.S. financial institutions have filed Suspicious Activity Reports (SARs) using the term "MX Restriction" to indicate a possible connection between suspicious activity being reported and the changes in the Mexican regulations.³

1. See FinCEN (June, 2010) Advisory [FIN-2010-A007](#): "[Newly Released Mexican Regulations Imposing Restrictions on Mexican Banks for Transactions in U.S. Currency](#)."

2. See FinCEN (July, 2012) Advisory [FIN-2012-A006](#): "[Update on U.S. Currency Restrictions in Mexico](#)."

3. To assist FinCEN and law enforcement with efforts to assess better the impact of the changes in the Mexican regulations, the original June 21, 2010 Advisory, [FIN-2010-A007](#), advised financial institutions to include "MX Restriction" within the narrative portion of the SAR filing and highlight the exact dollar amount(s) associated with the suspicious activity.

Supplemental Information

The U.S. and Mexican governments have been working closely together to understand the impact of and the changes associated with the currency restrictions. The Mexican government identified a significant drop in the amount of U.S. currency exported by Mexican financial institutions since the enactment of the restrictions. The *Comisión Nacional Bancaria y de Valores* (CNBV)⁴ issued on September 27, 2013, an advisory that, among other things, provides relevant statistics in this regard. The CNBV Advisory states that Mexican banks exported a quarterly average of \$2.7 billion dollars in cash in 2009. During 2012, Mexican banks exported a quarterly average of \$990 million dollars in cash. This represents a 63 percent reduction in the exportation of U.S. currency from 2009 to 2012. The CNBV Advisory also describes several actions that the CNBV has taken in recent years to improve its supervision of banks and other financial institutions. The CNBV has provided its financial institutions and FinCEN with a copy of its Advisory, available here in [English](#) and [Spanish](#).

Continued repatriation of legitimately derived U.S. currency is important to both economies. In an effort to assist Mexican banks in establishing or maintaining relationships with U.S. banks, the CNBV issued a “best practices” guide for Mexican banks to consider when interacting with U.S. banks. U.S. financial institutions may consider this guidance when establishing or maintaining accounts with Mexican banks. The CNBV has provided its financial institutions and FinCEN with a copy of its “best practices” document, available here in [English](#) and [Spanish](#).

4. The CNBV is Mexico’s regulator of financial institutions (i.e., banks, securities companies and investment companies among others) and several non-bank entities (i.e., *casas de cambio* and *centros cambiarios*). The *Unidad de Inteligencia Financiera* (UIF) is Mexico’s financial intelligence unit. Mexico’s 2012 AML legislation empowers the UIF with AML/CFT supervisory authority over non-bank sectors, including lawyers, jewelry, automobiles, and art. The CNBV and UIF report to the *Secretaría de Hacienda de Crédito Público*, Mexico’s Ministry of Finance and Public Credit.

FinCEN Guidance to U.S. Financial Institutions

Financial institutions should continue to consider previous advisories issued by FinCEN with respect to Mexico as well as information in the CNBV Advisory. As a result of the restrictions, illicit actors may utilize different methodologies, including use of financial institutions with higher dollar thresholds than Mexican banks or movement through other jurisdictions, to repatriate illicit proceeds. FinCEN continues to evaluate information on money laundering activities involving transnational criminal organizations operating in Mexico and the United States and will report, as appropriate, on emerging methods and schemes used to launder criminal proceeds.

If a financial institution knows, suspects, or has reason to suspect that a transaction conducted or attempted by, at, or through the financial institution involves funds derived from illegal activity or an attempt to disguise funds derived from illegal activity, is designed to evade regulations promulgated under the Bank Secrecy Act, or lacks a business or apparent lawful purpose, the financial institution may be required to file a SAR.⁷ Financial institutions that receive or offer services in connection with bulk cash shipments and correspondent banking should have policies and procedures that mitigate the risks of those services. While the transactional activity that U.S. financial institutions may experience as a result of the Mexican restrictions may not be indicative of criminal activity, U.S. financial institutions should consider this activity in conjunction with other information, including transaction volumes and source(s) of funds, when determining whether to file a SAR.

Financial institutions should continue to be alert to the possible use of alternative methods to move funds linked to the laundering of criminal proceeds and to report that information as appropriate. Additionally, FinCEN continues to request financial institutions to include “MX Restriction” in the narrative portion of SARs to indicate a possible connection between the suspicious activity being reported and the enacted U.S. currency restrictions on Mexican financial institutions.

Questions or comments regarding the contents of this advisory, the June 2010, or July 2012 Advisories should be addressed to the FinCEN Resource Center at 703-905-3591. ***Financial institutions wanting to report suspicious transactions that may relate to terrorist activity should call the Financial Institutions Toll-Free Hotline at (866) 556-3974 (7 days a week, 24 hours a day).*** The purpose of the hotline is to expedite the delivery of this information to law enforcement. Financial institutions should immediately report any imminent threat to local-area law enforcement officials.

5. See e.g. 31 CFR § 1020.320.