

§ 522.2690 Zinc gluconate.

(a) *Specifications.* Each milliliter of solution contains 13.1 milligrams zinc as zinc gluconate neutralized to pH 7.0 with L-arginine.

(b) *Sponsor.* See No. 067647 in § 510.600(c) of this chapter.

(c) *Conditions of use in dogs—(1) Amount.* The volume injected into each testicle is based on testicular width as determined by measuring each testicle at its widest point using a metric scale (millimeter) caliper.

(2) *Indications for use.* Intratesticular injection for chemical sterilization of 3- to 10-month-old male dogs.

(3) *Limitations.* Federal law restricts this drug to use by or on the order of a licensed veterinarian.

Dated: May 12, 2003.

Stephen F. Sundlof,

Director, Center for Veterinary Medicine.

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DEPARTMENT OF THE TREASURY**31 CFR Part 103**

Notice of Temporary Extension of Conditional Exception to Bank Secrecy Act Regulations Relating to Orders for Transmittal of Funds by Financial Institutions

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

ACTION: Extension of conditional exception.

SUMMARY: FinCEN is giving notice that it is extending, until December 1, 2003, a conditional exception to a Bank Secrecy Act requirement that is due to expire on May 31, 2003. The exception permits financial institutions to substitute coded information for the true name and address of a customer in a funds transmittal order. The purpose of the extension is to permit FinCEN to perform a study of the alternatives to continuing the conditional exception.

DATES: Effective June 1, 2003.

FOR FURTHER INFORMATION CONTACT: David Vogt, Executive Associate Director, Office of Regulatory Programs, FinCEN, (202) 354-6400, or Judith R. Starr, Chief Counsel, FinCEN, (703) 905-3590.

SUPPLEMENTARY INFORMATION:**I. Background**

In 1998, FinCEN granted a conditional exception ("the CIF Exception") to the strict operation of 31 CFR 103.33(g) (the "Travel Rule"). See FinCEN Issuance 98-1, 63 FR 3640 (January 26, 1998).

The Travel Rule requires a financial institution to include certain information in transmittal orders relating to transmittals of funds of \$3,000 or more. The CIF Exception addressed computer programming problems in the banking and securities industries by relaxing the Travel Rule's requirement that a customer's true name and address be included in a funds transmittal order, so long as alternate steps, described in FinCEN Issuance 98-1 and designed to prevent avoidance of the Travel Rule, were satisfied. By its terms, the CIF Exception to the Travel Rule was to expire on May 31, 1999; however, in light of programming burdens associated with year 2000 compliance issues, FinCEN extended the CIF Exception so that it would expire on May 31, 2001. See FinCEN Issuance 99-1, 64 FR 41041 (July 29, 1999). On May 30, 2001, after first soliciting input from the law enforcement community for its views on any law enforcement burdens caused by the CIF Exception, FinCEN again extended the CIF Exception. The CIF Exception is scheduled to expire on May 31, 2003. See FinCEN Issuance 2001-1, 66 FR 32746 (June 18, 2001). On March 7, 2003, FinCEN published a Notice of intent to permit the CIF exception to expire on May 31, 2003. The Notice solicited comment on four issues:

- (1) Whether there are technological barriers to full compliance with the Travel Rule;
- (2) Whether financial institutions will require additional time to comply;
- (3) Whether the exception has had an adverse effect on law enforcement investigations; and
- (4) Whether there is a potential for abuse of the exception.

II. The CIF Exception

FinCEN promulgated the Travel Rule in 1995. The Travel Rule requires financial institutions to include certain information in transmittal orders relating to transmittals of funds of \$3,000 or more, which must "travel" with the order throughout the funds transmittal sequence. Among these requirements is that each transmitter's financial institution and intermediary financial institution include in a transmittal order the transmitter's true name and street address. See 31 CFR 103.33(g)(1)(i)-(ii) and (g)(2)(i)-(ii). Subsequently, financial institutions represented to FinCEN that their ability to comply with the Travel Rule at all depended on their ability to use their automated customer information files, known as CIFs. Although an originating institution always knew the originating

customer's true name and address, the CIFs were often programmed with coded or nominee names and addresses (or post office boxes). The reprogramming tasks involved in changing the CIFs were represented to be a significant barrier to compliance with the Travel Rule. In light of these burdens, and in the interest of obtaining prompt compliance, FinCEN promulgated the conditional exception.

The conditional exception provides that a financial institution may satisfy the requirements of 31 CFR 103.33(g) that a customer's true name and address be included in a transmittal order, only upon satisfaction of the following conditions:

- (1) The CIFs are not specifically altered for the particular transmittal of funds in question;
- (2) The CIFs are generally programmed and used by the institution for customer communications, not simply for transmittal of funds transactions, and as so programmed generate other than true name and street address information;
- (3) The institution itself knows and can associate the CIF information used in the funds transmittal order with the true name and street address of the transmitter of the order;
- (4) The transmittal order includes a question mark symbol immediately following any designation of the transmitter other than by a true name on the order;
- (5) Any currency transaction report or suspicious activity report by the institution with respect to the funds transmittal contains the true name and address information for the transmitter and plainly associates the report with the particular funds transmittal in question.

The conditional exception further provides that it has no application to any funds transmittals for whose processing an institution does not automatically rely on preprogrammed and prespecified CIF name and address information. FinCEN's release promulgating the CIF Exception further warned financial institutions that any customer request for a nominee name in a CIF should be carefully evaluated as a potentially suspicious transaction. See 63 FR 3642.

III. Comments Received on the Expiration of the CIF Exception

The comment period closed on April 21, 2003. FinCEN received 16 comments from banks, trade groups, financial consultants, the Federal Reserve's Wholesale Products Branch, and the Department of Justice, reflecting a diversity of views. Eight commenters