

CHAPTER 21—FINANCIAL RECORDKEEPING

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CHAPTER REFERRED TO IN OTHER SECTIONS

This chapter is referred to in section 3401 of this title; title 31 sections 5318, 9703.

§ 1951. Congressional findings and declaration of purpose

(a) The Congress finds that certain records maintained by businesses engaged in the functions described in section 1953(b) of this title have a high degree of usefulness in criminal, tax, and regulatory investigations and proceedings. The Congress further finds that the power to require reports of changes in the ownership, control, and managements of types of financial institutions referred to in section 1952 of this title may be necessary for the same purpose.

(b) It is the purpose of this chapter to require the maintenance of appropriate types of records and the making of appropriate reports by such businesses in the United States where such records or reports have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings.

(Pub. L. 91-508, title I, § 121, Oct. 26, 1970, 84 Stat. 1116.)

EFFECTIVE DATE

Section 401(a), (b) of Pub. L. 91-508 provided that:

“(a) Except as otherwise provided in this section, titles I, II, and III of this Act and the amendments made thereby [enacting this chapter and sections 1730d and 1829b of this title and section 1051 et seq. of former Title 31, Money and Finance, amending section 78g of Title 15, Commerce and Trade, and enacting provisions set out as notes under section 78g of Title 15 and section 1051 of former Title 31] take effect on the first day of the seventh calendar month which begins after the date of enactment [Oct. 26, 1970].

“(b) The Secretary of the Treasury may by regulation provide that any provision of title I or II or any amendment made thereby [enacting this chapter and sections 1730d and 1829b of this title] shall be effective on any date not earlier than the publication of the regulation in the Federal Register and not later than the first day of the thirteenth calendar month which begins after the date of enactment [Oct. 26, 1970].”

§ 1952. Reports on ownership and control

Where the Secretary determines that the making of appropriate reports by uninsured banks or uninsured institutions of any type with respect to their ownership, control, and managements and any changes therein has a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings, he may by regulation require such banks or institutions to make such

reports as he determines in respect of such ownership, control, and managements and changes therein.

(Pub. L. 91-508, title I, § 122, Oct. 26, 1970, 84 Stat. 1116.)

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1951 of this title.

§ 1953. Recordkeeping and procedures**(a) Regulations**

Where the Secretary determines that the maintenance of appropriate records and procedures by any uninsured bank or uninsured institution, or any person engaging in the business of carrying on in the United States any of the functions referred to in subsection (b) of this section, has a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings, he may by regulation require such bank, institution, or person—

(1) to require, retain, or maintain, with respect to its functions as an uninsured bank or uninsured institution or its functions referred to in subsection (b) of this section, any records or evidence of any type which the Secretary is authorized under section 1829b of this title to require insured banks to require, retain, or maintain; and

(2) to maintain procedures to assure compliance with requirements imposed under this chapter. For the purposes of any civil or criminal penalty, a separate violation of any requirement under this paragraph occurs with respect to each day and each separate office, branch, or place of business in which the violation occurs or continues.

(b) Institutions subject to recordkeeping requirements

The authority of the Secretary of the Treasury under subsection (a) of this section extends to any financial institution (as defined in section 5312(a)(2) of title 31), other than any insured bank (as defined in section 1813(h) of this title) and any insured institution (as defined in section 1724(a)¹ of this title), and any partner, officer, director, or employee of any such financial institution.

(c) Acceptance of automated records

The Secretary shall permit an uninsured bank or financial institution to retain or maintain records referred to in subsection (a) of this section in electronic or automated form, subject to terms and conditions established by the Secretary.

(Pub. L. 91-508, title I, § 123, Oct. 26, 1970, 84 Stat. 1116; Pub. L. 100-690, title VI, § 6185(d)(3)(A), Nov. 18, 1988, 102 Stat. 4357; Pub. L. 103-325, title III, § 310, Sept. 23, 1994, 108 Stat. 2221.)

REFERENCES IN TEXT

Section 1724 of this title, referred to in subsec. (b), was repealed by Pub. L. 101-73, title IV, § 407, Aug. 9, 1989, 103 Stat. 363.

AMENDMENTS

1994—Subsec. (c). Pub. L. 103-325 added subsec. (c).

¹ See References in Text note below.

1988—Subsec. (b). Pub. L. 100-690 amended subsec. (b) generally. Prior to amendment, subsec. (b) read as follows: “The authority of the Secretary under this section extends to any person engaging in the business of carrying on any of the following functions:

“(1) Issuing or redeeming checks, money orders, travelers’ checks, or similar instruments, except as an incident to the conduct of its own nonfinancial business.

“(2) Transferring funds or credits domestically or internationally.

“(3) Operating a currency exchange or otherwise dealing in foreign currencies or credits.

“(4) Operating a credit card system.

“(5) Performing such similar, related, or substitute functions for any of the foregoing or for banking as may be specified by the Secretary in regulations.”

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in section 1951 of this title.

§ 1954. Injunctions

Whenever it appears to the Secretary that any person has engaged, is engaged, or is about to engage in any acts or practices constituting a violation of any regulation under this chapter, he may in his discretion bring an action, in the proper district court of the United States or the proper United States court of any territory or other place subject to the jurisdiction of the United States, to enjoin such acts or practices, and upon a proper showing a permanent or temporary injunction or restraining order shall be granted without bond. Upon application of the Secretary, any such court may also issue mandatory injunctions commanding any person to comply with any regulation of the Secretary under this chapter.

(Pub. L. 91-508, title I, § 124, Oct. 26, 1970, 84 Stat. 1117.)

§ 1955. Civil penalties

(a) For each willful or grossly negligent violation of any regulation under this chapter, the Secretary may assess upon any person to which the regulation applies, or any person willfully causing a violation of the regulation, and, if such person is a partnership, corporation, or other entity, upon any partner, director, officer, or employee thereof who willfully or through gross negligence participates in the violation, a civil penalty not exceeding \$10,000.

(b) In the event of the failure of any person to pay any penalty assessed under this section, a civil action for the recovery thereof may, in the discretion of the Secretary, be brought in the name of the United States.

(Pub. L. 91-508, title I, § 125, Oct. 26, 1970, 84 Stat. 1117; Pub. L. 100-690, title VI, § 6185(d)(3)(B), Nov. 18, 1988, 102 Stat. 4357; Pub. L. 102-550, title XV, § 1535(c)(1), Oct. 28, 1992, 106 Stat. 4067.)

AMENDMENTS

1992—Subsec. (a). Pub. L. 102-550 inserted “or any person willfully causing a violation of the regulation,” after “applies.”

1988—Subsec. (a). Pub. L. 100-690 inserted “or grossly negligent” after “willful” and “or through gross negligence” after “willfully” and substituted “\$10,000” for “\$1,000”.

§ 1956. Criminal penalty

Whoever willfully violates any regulation under this chapter shall be fined not more than

\$1,000 or imprisoned not more than one year, or both.

(Pub. L. 91-508, title I, § 126, Oct. 26, 1970, 84 Stat. 1118.)

§ 1957. Additional criminal penalty in certain cases

Whoever willfully violates, or willfully causes a violation of any regulation under this chapter, section 1829b of this title, or section 1730d¹ of this title, where the violation is committed in furtherance of the commission of any violation of Federal law punishable by imprisonment for more than one year, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

(Pub. L. 91-508, title I, § 127, Oct. 26, 1970, 84 Stat. 1118; Pub. L. 102-550, title XV, § 1535(c)(2), Oct. 28, 1992, 106 Stat. 4067.)

REFERENCES IN TEXT

Section 1730d of this title, referred to in text, was repealed by Pub. L. 101-73, title IV, § 407, Aug. 9, 1989, 103 Stat. 363.

AMENDMENTS

1992—Pub. L. 102-550 inserted “, or willfully causes a violation of” after “Whoever willfully violates”.

§ 1958. Compliance

The Secretary shall have the responsibility to assure compliance with the requirements of this chapter and sections 1730d¹ and 1829b of this title and may delegate such responsibility to the appropriate bank supervisory agency, or other supervisory agency.

(Pub. L. 91-508, title I, § 128, Oct. 26, 1970, 84 Stat. 1118.)

REFERENCES IN TEXT

Section 1730d of this title, referred to in text, was repealed by Pub. L. 101-73, title IV, § 407, Aug. 9, 1989, 103 Stat. 363.

§ 1959. Administrative procedure

The administrative procedure and judicial review provisions of subchapter II of chapter 5 and chapter 7 of title 5 shall apply to all proceedings under this chapter, section 1829b of this title, and section 1730d¹ of this title.

(Pub. L. 91-508, title I, § 129, Oct. 26, 1970, 84 Stat. 1118.)

REFERENCES IN TEXT

Section 1730d of this title, referred to in text, was repealed by Pub. L. 101-73, title IV, § 407, Aug. 9, 1989, 103 Stat. 363.

CHAPTER 22—TYING ARRANGEMENTS

Sec.	
1971.	Definitions.
1972.	Certain tying arrangements prohibited; correspondent accounts.
1973.	Jurisdiction of courts; duty of United States attorneys; equitable proceedings; petition; expedition of cases; temporary restraining orders; bringing in additional parties; subpenas.

¹ See References in Text note below.

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¹ See References in Text note below.