

Financial Institution Letters

FIL-21-2016

March 21, 2016

Bank Secrecy Act

Interagency Guidance to Issuing Banks on Applying Customer Identification Program Requirements to Holders of Prepaid Cards

Printable Format:

[FIL-21-2016 - PDF](#) ([PDF Help](#))

Summary:

The federal banking agencies (FBAs) and the Financial Crimes Enforcement Network (FinCEN) are issuing the attached guidance to clarify existing Customer Identification Program (CIP) requirements for banks that issue prepaid cards.

Statement of Applicability: This Financial Institution Letter applies to all FDIC-supervised institutions.

Highlights:

- This guidance clarifies existing CIP requirements with respect to the issuance of certain prepaid cards.
- The applicable CIP requirements are derived by, first, determining whether an Account (as defined) is created and, second, identifying the Customer (as defined).
- An Account is created when a Customer exercises the ability to reload funds onto the prepaid card, or accesses the prepaid card's credit or overdraft features.
- Depending on the nature of the prepaid card program, the Customer could be either the cardholder or the third-party card provider.
- A bank's CIP requirements should be applied to the Customer.
- The guidance also reiterates a bank's responsibility of entering into well-constructed, enforceable contracts with third-party program managers.

Distribution:

- FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

- Chief Executive Officer
- BSA Compliance Officer

Related Topics:

- Bank Secrecy Act
- Anti-Money Laundering

Attachment:

- [Interagency Guidance to Issuing Banks on Applying Customer Identification Program Requirements to Holders of Prepaid Cards - PDF \(PDF Help\)](#)

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