



March 13, 2025

## FinCEN Lowers Reporting Threshold for MSBs Near U.S.-Mexico Border, Continuing Heightened Focus on Transnational Organized Crime

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On March 11, 2025, the Financial Crimes Enforcement Network (FinCEN) issued a [Geographic Targeting Order \(GTO\)](#) requiring all money services businesses (MSBs) operating within 30 specified ZIP codes near the U.S.-Mexico border to file currency transaction reports (CTRs) for cash transactions exceeding \$200. Before the GTO, MSBs were required to file CTRs for cash transactions exceeding \$10,000 per day. (31 C.F.R. § 1022.310.)

FinCEN issued the GTO under the nation's anti-money laundering (AML) legal regime, known as the Bank Secrecy Act (BSA). The GTO is the most recent step in America's broader efforts to curb international money laundering connected to transnational organized crime (TOC) along the southwest border of the U.S.

### What Does the GTO Signal?

Most MSBs subject to the GTO are currency exchange houses, also known as *casas de cambio*. As the GTO notes, the goal of the stricter CTR reporting requirement is "taken in furtherance of Treasury's efforts to combat illicit finance by drug cartels and other illicit actors along the southwest border of United States." It thus applies to all MSBs, an expansive category of businesses and operations—ranging from check cashers to money transmitters—as defined under the BSA. (31 C.F.R. § 1010.100(ff).)

An immediate consequence of the GTO is that all financial institutions, not just MSBs, should be prepared to see the United States take continued steps to disrupt international financial crime. Those institutions closest to the U.S.-Mexico border need to consider what risks their customers, and their transactions, present. Other institutions that are geographically distant from the border need to do more than simply "know their customers." They need to know how to anticipate questions from regulators and law enforcement regarding cross-border transaction monitoring. More critically, they need to have well-supported, and well-documented, risk mitigation policies and practices to address those risks. A good rule of thumb: if it's not documented, it doesn't count.

Beyond the GTO's mechanical changes for MSBs, any business required to maintain a BSA/AML program should consider reviewing its compliance on a monthly or quarterly basis. Non-financial institutions operating along the southwest border should similarly review their own international transactions in order to ensure compliance with financial regulations, including sanctions by the Treasury Department's Office of Foreign Asset Controls (OFAC). Just as financial institutions can expect more changes to AML regulations, all businesses and individuals can expect continued OFAC designations. Claiming ignorance of these tightening regulations will provide a limited defense to violating them (if any).

The new administration's early focus on financial transactions and other activities along the southwest border, as explored below, signals its intent to dedicate additional resources to target assets, businesses, and groups of



people that participate in unlawful activity. The Executive Branch has already employed several levers—stricter AML regulations, OFAC designations, State Department designations, and Justice Department prosecutions—to protect America’s financial system and its borders.

### Effective Dates and Purpose of GTO

MSBs will have to comply with the GTO beginning on April 10, 2025. It will remain in effect for at least 180 days and could be extended. Through the GTO, the Treasury Department is signaling its belief that the BSA, and more aggressive AML regulations, can act as an effective tool to combat TOCs by impairing their ability to use illicit proceeds that fund their operations.

### GTO Impact on MSBs

MSBs operating within the specified ZIP codes are required to:

- **File CTRs for cash transactions exceeding \$200:** This is a significant reduction from the standard \$10,000 threshold.
- **Expand Customer Identification:** MSBs must implement stringent customer identification protocols (CIP) to ensure compliance with the new reporting requirements, including for transactions exceeding \$200. The historical threshold for CIP compliance varied between \$1,000 and \$3,000. (31 C.F.R. § 1010.312.)
- **CTR Information:** MSBs need to capture additional information from customers, including the account number of the credit card and the number on the government identification used to verify the identity of the customer. Generic references on a CTR to a “known customer” or “bank signature card on file” will violate the GTO. The CTR itself should reference the GTO as follows: “MSB0325GTO.”
- **SAR Reporting:** Suspicious activity report (SAR) filing obligations will remain unchanged by the GTO. Of course, any attempt to evade the \$200 CTR obligation, or any other obligation required by the GTO, may trigger a SAR as a “suspicious transaction relevant to a possible violation of law or regulation,” as defined in the BSA. (31 C.F.R. § 1020.320(a)(1).)

### Enforcement and Compliance

Non-compliance with the GTO can result in substantial civil or criminal penalties. MSBs should review and, if necessary, update their compliance programs to adhere to the GTO’s requirements. Training staff on the updated protocols and maintaining detailed records of all reportable transactions are essential steps to ensure compliance.

### Wider Impact

MSBs, other financial institutions, and businesses located along the southwest border should anticipate more changes to AML regulations. The Treasury Department, other financial regulators, and the Justice Department show every sign of leveraging the BSA as a primary tool in confronting unlawful activity along the southwest border.

Indeed, the GTO comes in the wake of recent regulations and prosecutions that targeted MSB activities and TOCs more broadly along the southwest border:

- In March 2025, [Brink’s Global Services USA, Inc.](#) agreed to forfeit more than \$50 million for operating as an unlicensed MSB. The company agreed to settle criminal allegations that it had transported millions between MSBs in the U.S. and Mexico without proper registration or compliance controls. The Non-Prosecution Agreement it entered with the U.S. Attorney’s Office for the Southern District of California highlights gaps in its AML practices that violated BSA rules. Authorities emphasized the need for accountability by businesses and MSBs.
- Earlier in 2025, the [White House](#) and [State Department](#) designated international cartels and transnational groups as Foreign Terrorist Organizations and Specially Designated Global Terrorists. The



orders aim to combat cartel violence, which the U.S. views as a national security threat due to the TOCs' control over illegal border traffic, tendency to destabilize countries, and terrorist-like conduct. The White House directed federal agencies to take swift action to implement sanctions and operational responses.

- Heeding that directive, the [Justice Department](#) shortly thereafter announced the arrest of 29 individuals "from Mexico who are facing charges in districts around the country relating to racketeering, drug-trafficking, murder, illegal use of firearms, money laundering, and other crimes."
- Finally, the [Treasury Department's 2024 National Money Laundering Risk Assessment](#) noted that there was a "broader trend" of money laundering organizations establishing and exploiting MSBs "to facilitate their schemes." It is thus no surprise that throughout 2024 OFAC sanctioned [individuals](#) and [businesses](#) across Latin America for activities as varied as [maritime fishing](#).

The GTO's impact will extend beyond MSB compliance in these limited ZIP codes. It will require banks and other financial companies that support MSBs to enhance their risk assessment of cash and international transactions, check cashing, and any other companies that provide these services. Businesses along the southwest border, who may use MSBs for a variety of services (including money transmitting businesses like virtual currency exchangers), must also stay up-to-date on America's expanding concern with AML compliance and violations of the BSA.



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