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FinCEN Lowers Reporting Threshold for MSBs Near U.S.-Mexico Border to Combat Money Laundering

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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.

Effective Dates and Purpose

MSBs will have to comply with the GTO beginning on April 10, 2025. It will remain in effect for at least 180 days. Through the GTO, the U.S. 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.

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 driver's license 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 with the following designation: "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 obligations implemented by the GTO, may trigger a SAR for "any 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 U.S., the Treasury Department, and other financial regulators show every sign of leveraging the BSA as a primary tool in confronting unlawful activity along the southwest border with Mexico, including international money laundering, fraud, and drug trafficking. The GTO follows recent AML prosecutions that targeted MSB activities and TOCs.

- In March 2025, [Brink's Global Services USA, Inc.](#) agreed to forfeit over \$50 million for operating as an unlicensed MSB. The company admitted to illegally transporting 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 exploited to bypass AML rules. Authorities emphasized accountability for financial crimes, including within the armored car industry.
- A month earlier, in January 2025, the [White House issued an order](#) designating certain international cartels and transnational organizations as Foreign Terrorist Organizations and Specially Designated Global Terrorists. The order aims to combat cartel violence, which poses a national security threat by controlling illegal border traffic, destabilizing countries, and engaging in terror-like activities. It directs federal agencies to take swift action to implement sanctions and operational responses.
- 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".

Finally, 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 the 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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