



July 13, 2018

Via Electronic Delivery

Shire Cryptocoin
shirecryptocoin@gmail.com, keenecrypto@gmail.com, shirebtcmach@googlegroups.com

Dear Shire Cryptocoin,

This letter is to inform you that the United States Department of Treasury, Financial Crimes Enforcement Network (FinCEN) believes that your business is a money services business (MSB) as defined by the Bank Secrecy Act (BSA). As a result, you are required to register with FinCEN as an MSB and comply with applicable anti-money laundering (AML) program, recordkeeping, and reporting regulations.

FinCEN regulations define MSBs to include “money transmitters”; further delineating that a money transmitter is a person who provides money transmission services or any other person engaged in the transfer of funds. The term “money transmission services” means “the acceptance of currency, funds, or other value that substitutes for currency from one person and the transmission of currency, funds, or other value that substitutes for currency from one person and the transmission of currency, funds, or other value that substitutes for currency to another location or person by any means.”¹

There is no minimum activity threshold for money transmitters under FinCEN’s regulation. Consequently, engaging in money transmission in any amount qualifies your business as an MSB.

On March 18, 2013, FinCEN published its guidance *Application of FinCEN’s Regulations to Persons Administering, Exchanging, or Using Virtual Currencies*.² This guidance clarifies the scope of FinCEN’s regulations with regard to certain virtual currency business models. In doing so, it describes how most virtual currency administrators and exchangers engage in activities that make them money transmitters - and thus MSBs.

As with other types of financial institutions, MSBs (including money transmitters), must comply with the BSA. Under the BSA, MSBs must register with FinCEN within their first 180 days of doing business and subsequently renew said registration every two years. The BSA also requires financial institutions to make and keep certain reports which enable law enforcement to detect

¹ 31 CFR § 1010.100(ff)(5)(i)(A).

² FIN-2013-G001, March 18, 2013, <https://www.fincen.gov/sites/default/files/shared/FIN-2013-G001.pdf>.

and deter financial crimes, like money laundering and terrorist financing. Failure to comply with the BSA may result in civil and criminal penalties.

You must register your MSB with FinCEN through our online BSA E-Filing System, located at <http://bsaefiling.fincen.treas.gov/main.html>. There is no cost to register.

If you believe that you do not qualify as an MSB, and are not operating under the definition of a money transmitter under the BSA, please contact us within two weeks from the date of this letter/email and state your explanation in writing at FRC@fincen.gov. Please provide updated contact information so that you may be reached by a FinCEN representative to discuss your submission.

FinCEN is attempting to bring all unregistered MSBs in this industry in compliance. If another cryptocurrency kiosk operator fails to accept or receive receipt of this letter, they are not absolved of their responsibilities as an MSB under the BSA. Should you wish to provide any information on those believed to be in non-compliance, please email the address above.

If you have outstanding questions about your BSA requirements please contact the FinCEN Resource Center (FRC) BSA Helpline at 703-905-3591 or toll free at 1-800-767-2825. Additional resources may be found at: <https://www.fincen.gov/resources/financial-institutions/money-services-businesses>.

Sincerely,

A handwritten signature in black ink, appearing to read "Thomas P. Ott". The signature is stylized with a large, sweeping initial "T" and a long horizontal stroke extending to the right.

Thomas P. Ott
Associate Director
Enforcement Division