



## Agencies Clarify Requirements for Providing Financial Services to Hemp-Related Businesses

On December 3, 2019, the four federal agencies (i.e., Federal Reserve Board, FDIC, FinCEN, and the OCC) in conjunction with state regulators (i.e., CSBS) issued a statement clarifying the legal status of hemp growth and production and the relevant requirements under the Bank Secrecy Act (BSA) for banks providing services to hemp-related businesses.

The statement emphasizes that banks are no longer required to file Suspicious Activity Reports (SARs) for customers solely because they are engaged in the growth or cultivation of hemp in accordance applicable laws and regulations. For hemp-related customers, banks are expected to follow standard SAR procedures and file a SAR if indicia of suspicious activity warrants.

The statement provides banks with background information on the legal status of hemp, the U.S. Department of Agriculture's (USDA) interim final rule on the production of hemp, and the BSA considerations when providing banking services to hemp-related businesses.

The statement also indicates that FinCEN will issue additional guidance after further reviewing and evaluating the USDA interim final rule.

Banks can contact the USDA, state departments of agriculture, and tribal governments with further questions regarding the Agricultural Improvement Act of 2018 (2018 Farm Bill) and its implementing regulations.

[Read Agency's Statement »](#)