



*Since 1983, the national trade association for the rare coin, currency, and precious metals industry.*

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## **BROKER REPORTING – CASH REPORTING –** **USA PATRIOT ACT: SECTION 352**

The following is a brief recap of Broker Reporting and Cash Reporting Regulations. Consult your ICTA Broker Reporting and Cash Reporting Information Kits for more detailed compliance requirements. You can purchase these kits by completing the form found on the *What's New* page of ICTA's website. Kit prices for ICTA members are \$100 for the Cash Reporting Kit and \$50 for the Broker Reporting Kit; the non-member price is \$500 each.

### **Broker Reporting Regulations SUMMARY: IRS Form 1099b**

These regulations require that you complete an IRS Form 1099b for a specific transaction in which you **purchase** a certain quantity of specific bullion-related products. These include gold, silver, platinum and palladium bars, certain gold one-ounce coins, (Maple Leafs, Krugerrands, and Mexican Onzas only), and US 90% silver ("junk silver") coins. Broker Reporting does **not** concern the method of payment (cash, check, bank wire, etc.) you use to **purchase** these products. *Section 352 is not related to this section of the IRS code. See your ICTA Broker Reporting Kit for more information on this subject.*

### **Cash Reporting Regulations SUMMARY: IRS/FinCEN Form 8300.**

You must complete IRS Form 8300 if you **receive** cash payments of over \$10,000 for a single transaction or a series of *related* transactions in the course of your trade or business. (Paper currency collections that you purchase may also require reporting.) The term "cash" includes currency (US or foreign) and bearer instruments such as cashier's checks, money orders, traveler's checks, etc. when the face value of the bearer instrument is less than \$10,000. "Know your customer" has always been an important component of accepting cash payments, and ICTA members are aware that if they "know or have reason to know" that there is any illegal activity tainting the transaction, they should refuse to do business with such clients. See the ICTA Cash

Reporting Kit for more specific compliance information. *Section 352 does not change anything regarding your requirement to file Form 8300 on cash transactions.*

**USA PATRIOT Act, Section 352, “Dealers in Precious Metals, Stones or Jewels Required to Establish Anti-Money Laundering Programs.”**

This regulation went into effect January 1, 2006, and applies *specifically* to our industry. The value and portability of precious metals, jewels and precious stones make them potentially desirable products for those who would launder money, whether for drug or terrorist purposes. This new regulation requires a formal (and mandatory) anti-money laundering (AML) program for those businesses that are considered to be vulnerable to money laundering activities.

If your company buys AND sells \$50,000 or more retail of “covered goods” (see below), compliance with Section 352 is MANDATORY. This means you are *required* to have a written AML plan and must comply with the other aspects of Section 352.

“Covered goods” are precious metals/stones/jewelry items that derive 50% or more of their value (price) from the precious metal and/or gemstone content (intrinsic value).

December 4, 2005