

106TH CONGRESS
1ST SESSION

H. R. 516

To prohibit the Secretary of the Treasury and the Federal banking agencies from implementing “know your customer” regulations which overburden financial institutions and invade the privacy of United States citizens.

IN THE HOUSE OF REPRESENTATIVES

FEBRUARY 3, 1999

Mr. PAUL (for himself, Mr. ROGAN, Mr. UPTON, Mr. BURTON of Indiana, Mr. NETHERCUTT, Mr. TAYLOR of North Carolina, Mr. LATHAM, Mr. YOUNG of Alaska, Mr. SKEEN, Mr. DELAY, Mr. CAMPBELL, and Mr. HALL of Texas) introduced the following bill; which was referred to the Committee on Banking and Financial Services

A BILL

To prohibit the Secretary of the Treasury and the Federal banking agencies from implementing “know your customer” regulations which overburden financial institutions and invade the privacy of United States citizens.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “‘Know Your Customer’
5 Sunset Act”.

1 **SEC. 2. IMMEDIATE TERMINATION OF “KNOW YOUR CUS-**
2 **TOMER” REGULATIONS.**

3 Any regulation prescribed by the Secretary of the
4 Treasury or any Federal banking agency (as defined in
5 section 3 of the Federal Deposit Insurance Act) under
6 subchapter II or III of chapter 53 of title 31, United
7 States Code, chapter 2 of Public Law 91–508, section 21
8 of the Federal Deposit Insurance Act, or any other provi-
9 sion of Federal law, that has the effect of requiring a de-
10 pository institution (as defined in section 3 of the Federal
11 Deposit Insurance Act) or any other private entity—

12 (1) to monitor the account of any customer of
13 the institution or entity; or

14 (2) to obtain information concerning any person
15 in connection with a financial transaction at the in-
16 stitution or entity, including the source of any funds
17 involved in the transaction,

18 (commonly referred to as “know your customer” regula-
19 tions) shall cease to be effective as of the date of the enact-
20 ment of this Act and no such regulation may be prescribed
21 after such date.

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