



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-78-2019
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Bank Secrecy Act: Interagency Statement on Providing Banking Services to Customers Engaged in Hemp Production

Summary: The FDIC, along with the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, and the Financial Crimes Enforcement Network (FinCEN) is issuing a joint statement on providing banking services to customers engaged in hemp production. FinCEN will issue additional guidance after further reviewing and evaluating the U.S. Department of Agriculture (USDA) interim final rule.

Statement of Applicability to Institutions: This Financial Institution Letter applies to FDIC-supervised banks and savings associations.

Distribution:

FDIC-Supervised Institutions

Suggested Routing:

Chief Executive Officer
BSA Compliance Officer

Related Topics:

[Statement on Providing Banking Services](#)

Attachment:

[Joint Guidance on Providing Financial Services to Customers Engaged in Hemp-Related Businesses](#)

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Highlights:

- The *Agriculture Improvement Act of 2018* (2018 Farm Bill) removed hemp as a Schedule I Controlled Substance from the *Controlled Substances Act* (CSA). The 2018 Farm Bill directs the U.S. Department of Agriculture, in consultation with the Attorney General, to regulate hemp production.
- Because hemp is no longer a Schedule I controlled substance under the CSA, banks are not required to file suspicious activity reports on customers solely because they are engaged in the growth or cultivation of hemp in accordance with federal law.
- On October 31, 2019, the USDA issued an interim final rule establishing the domestic hemp production regulatory program to facilitate the legal production of hemp, as set forth in the 2018 Farm Bill.
- Under the USDA interim final rule, state departments of agriculture and tribal governments may submit plans for monitoring and regulating the domestic production of hemp to the USDA for approval. The USDA interim final rule also establishes a federal licensing plan for regulating hemp producers in states and tribal territories that do not have their own USDA-approved plan.
- A state or tribal government may prohibit the production of hemp, even though it is legal under federal law. The 2018 Farm Bill provisions related to USDA-approved state or tribal plans did not preempt state or tribal laws regarding the production of hemp that are more stringent than federal law.