

**Form of Letter Agreement for
Depository Institutions eligible to receive International Cash Services**

[LETTERHEAD OF ADMINISTRATIVE RESERVE BANK]

[DATE]

[NAME OF DI ELIGIBLE TO RECEIVE INTERNATIONAL CASH SERVICES]¹

[STREET ADDRESS]

[CITY, STATE, ZIP]

Attention: [NAME], [TITLE]

Ladies and Gentlemen:

This letter agreement (this “Agreement”) sets forth the agreement of [NAME OF DI], a depository institution [chartered][organized] under the laws of [U.S. STATE OR COUNTRY] with its principal office located at [ADDRESS] (the “Depository Institution”) [and a U.S. [branch/agency] authorized pursuant to Regulation K (Part 211 of Title 12 of the United States Code of Federal Regulations) located at [ADDRESS] (the “U.S. Branch/Agency”)] to the terms and conditions governing the withdrawal of U.S. dollar banknotes from and the deposit of U.S. dollar banknotes to a Federal Reserve Bank in connection with cross-border currency activity. The Depository Institution acknowledges that the Federal Reserve Bank of [CITY] (the “Reserve Bank”) is the [Depository Institution’s][U.S. Branch/Agency’s] Administrative Reserve Bank.

For purposes of this Agreement, the following terms shall have the following meanings:

“Administrative Reserve Bank” has the meaning specified in the Reserve Bank’s Operating Circular No. 1, as it may be amended from time to time.

“Federal Reserve Prohibition” means any prohibition on U.S. dollar banknote trading with a particular individual or entity, or with individuals or entities in a particular jurisdiction, that is communicated by the Reserve Bank in writing upon ten (10) days’ prior written notice to the Depository Institution [and its U.S. Branch/Agency].

“Financial Institution” means any bank, credit union, savings and loan association, money services business (such as a foreign exchange dealer, money transmitter or check casher), casino, exchange house (such as a casa de cambio or hawala), or any other organization chartered under the banking laws of any jurisdiction or subject to the supervision of any bank supervisory authority, including any branch, vault, or other office of the Depository Institution itself or any agent of any of the foregoing, including an armored carrier acting as agent for one or more such entities.

¹ If the DI is a foreign bank, this letter should be addressed to the U.S. branch or agency of the DI (note that both the branch/agency and the foreign parent bank will be signatories to the agreement). References throughout the agreement to “U.S. Branch/Agency” should be modified as appropriate for the particular DI.

“Internal Wholesale Transfer” means any transfer of U.S. dollar banknotes from one branch, vault, or other office of the Depository Institution to another where the Depository Institution does not intend for such transfer to be a sale of banknotes by one branch, vault, or other office and a purchase of banknotes by the other (such as an internal transfer to reposition inventory between the Depository Institution’s regional distribution centers).

“International Cash Services” means assigning one or more International Endpoints to the [U.S. Branch/Agency of the] Depository Institution and, through such International Endpoints, (a) fulfilling a withdrawal request for U.S. dollar banknotes solely with new banknotes rather than fit banknotes, (b) fulfilling and shipping a withdrawal request for U.S. dollar banknotes on the same business day that it is placed, if such order is received by the applicable Servicing Reserve Bank prior to the cut-off time designated from time to time by such Servicing Reserve Bank in its sole discretion, and (c) verifying incoming deposits of U.S. dollar banknotes of the \$50 and \$100 denominations no later than the end of the second full business day following receipt by the applicable Servicing Reserve Bank.

“International Endpoint” means a four-digit identifier that is (i) assigned to the [U.S. Branch/Agency of the] Depository Institution by a currency processing location of a Servicing Reserve Bank in accordance with the Servicing Reserve Bank’s internal policy on the use of International Endpoints, and (ii) used solely to process banknote transactions described in numbered paragraph 1 of this Agreement.

“OFAC Prohibition” means any restriction imposed by a U.S. executive order regarding economic sanctions, or regulations issued by the Office of Foreign Assets Control (“OFAC”) of the United States Department of the Treasury, which are contained in Chapter V, Parts 500-599, of Title 31 of the United States Code of Federal Regulations, as they may interpreted, enforced, and amended from time to time.

“Reportable Banknote Activity” means all U.S. dollar banknote activity pursuant to which the Depository Institution [or its U.S. Branch/Agency] sells, buys, or transfers U.S. dollar banknotes to or from a Financial Institution in a transaction that results in the shipment of such banknotes (i) between a physical location in one sovereign jurisdiction and a physical location in another sovereign jurisdiction, including shipments that both begin and end outside of the United States, or (ii) between or among one or more physical locations within a sovereign jurisdiction other than the United States, provided that Internal Wholesale Transfers shall be excluded from any Reportable Banknote Activity provided by the Depository Institution under this Agreement.

“Reporting Instructions” means the Federal Reserve Bank of New York’s Instructions for Preparing and Submitting Monthly Banknote Activity Data, as they may be amended from time to time.

“Servicing Reserve Bank” means any Federal Reserve Bank, including the Reserve Bank, that processes a withdrawal or accepts a deposit of U.S. dollar banknotes made by the [U.S. Branch/Agency of the] Depository Institution.

The Reserve Bank and the Depository Institution [and its U.S. Branch/Agency] hereby agree as follows:

1. If the Depository Institution [or its U.S. Branch/Agency] engages in any cross-border currency activity pursuant to which the Depository Institution [or its U.S. Branch/Agency] (i) sells, buys, or transfers U.S. dollar banknotes to or from a Financial Institution in a transaction that results in the shipment of such banknotes either from a physical location inside the United States to a physical location outside the United States, or from a physical location outside the United States to a physical location inside the United States, and (ii) withdraws such banknotes from or deposits such banknotes to one or more currency processing locations of a Servicing Reserve Bank, the [U.S. Branch/Agency of the] Depository Institution shall ask each such currency processing location to establish one or more International Endpoints to be used solely to process such activity, and shall withdraw or deposit all such banknotes with reference to such International Endpoints.
2. The Depository Institution [or its U.S. Branch/Agency] may not use an International Endpoint to withdraw any U.S. dollar banknotes from a Servicing Reserve Bank for shipment to U.S. domestic recipients, or to deposit any U.S. dollar banknotes received from U.S. domestic sources with a Servicing Reserve Bank.
3. The Reserve Bank will notify each other Federal Reserve Bank that this Agreement has been executed and that, to the extent such Federal Reserve Bank acts as a Servicing Reserve Bank, the [U.S. Branch/Agency of the] Depository Institution is eligible to receive International Cash Services in connection with any banknotes withdrawn or deposited using an International Endpoint. Notwithstanding the execution of this Agreement, the provision of International Cash Services to the [U.S. Branch/Agency of the] Depository Institution remains at the discretion of each Servicing Reserve Bank.
4. Banknotes withdrawn or deposited using an International Endpoint are subject to the Servicing Reserve Bank’s policies on the frequency and size of such orders and deposits, but such banknotes will not be subject to a Recirculation Fee (as defined by the Reserve Bank’s Operating Circular No. 2, as it may be amended from time to time).
5. The Depository Institution [or its U.S. Branch/Agency] may arrange for banknotes to be withdrawn using an International Endpoint in accordance with the order process for International Endpoint orders established by the Servicing Reserve Bank processing the withdrawal, as it may be amended from time to time. The applicable Servicing Reserve Bank will process such orders in its sole discretion, and may refuse to process any such order or modify the terms of any such order upon notice to the party placing such order. The [U.S. Branch/Agency of the] Depository Institution must maintain copies of all such orders for a period of at least five (5) years.

6. The Depository Institution [or its U.S. Branch/Agency] shall provide on a monthly basis, via the Federal Reserve's FedLine Web application or such other communication system as the Reserve Bank may instruct in writing, data on a non-account-specific basis showing all Reportable Banknote Activity, in accordance with and in the manner specified by the Reporting Instructions. The Depository Institution [or its U.S. Branch/Agency, as applicable,] must ensure the accuracy and completeness of all such reports.
7. The Depository Institution [and its U.S. Branch/Agency] shall ensure that all Reportable Banknote Activity complies with the provisions of all United States asset control laws, to the extent that they are implemented by OFAC Prohibitions. The Depository Institution acknowledges that OFAC maintains and continually updates in electronic form a list of active OFAC sanctions programs, including citations to relevant U.S. statutes and executive orders, as well as an alphabetical master list of "Specially Designated Nationals and Blocked Persons" (the "OFAC List"). The Depository Institution [and its U.S. Branch/Agency] shall establish and maintain a compliance program for Reportable Banknote Activity that, at a minimum, ensures that the Depository Institution [and its U.S. Branch/Agency] will not conduct Reportable Banknote Activity with (i) any entity or individual on the OFAC List at the time of any such Reportable Banknote Activity, or (ii) any entity or individual restricted by country-specific OFAC Prohibitions at the time of any such Reportable Banknote Activity, unless any such Reportable Banknote Activity is conducted in accordance with any exemptions or licenses contained in or issued pursuant to the OFAC Prohibitions.
8. The Depository Institution [and its U.S. Branch/Agency] shall ensure that all Reportable Banknote Activity complies with any Federal Reserve Prohibition that may be in effect from time to time.
9. The Depository Institution [or its U.S. Branch/Agency] shall immediately notify the Reserve Bank of any Reportable Banknote Activity that violates any requirement set forth in paragraphs 7 or 8. Notice under this paragraph must be made via telephone and in writing within one (1) business day of the Depository Institution's determination, after prompt and reasonable investigation, that an apparent violation has occurred. In the event that the Depository Institution elects to notify OFAC of an apparent violation of applicable regulations by submitting a voluntary self-disclosure, the Depository Institution may submit such disclosure to OFAC prior to or simultaneously with notice to the Reserve Bank under this provision.
10. The Depository Institution agrees to assert on an annual basis (in the form of the management assertion set forth in Schedule A, or in such other form as may be agreed upon from time to time) that it was in full compliance with (i) all requirements in this Agreement with respect to OFAC Prohibitions and Federal Reserve Prohibitions, and (ii) the requirements in this Agreement to accurately report Reportable Banknote Activity, in each case for the prior year ending December 31.

The management assertion submitted by the Depository Institution shall be signed by the senior management representative responsible for global U.S. dollar banknote operations and, when signed, the Depository Institution shall submit a copy of the management assertion to the Reserve Bank[, to the U.S. Branch/Agency,] and to the Depository Institution's board of directors. The Depository Institution shall provide to the Reserve Bank annual confirmation of such submission to [the U.S. Branch/Agency and to] the Depository Institution's board of directors.

11. The Depository Institution agrees that its internal auditor shall prepare and sign an attestation statement corresponding to each management assertion (in the form of the internal auditor attestation set forth in Schedule B, or in such other form as may be agreed upon from time to time). When finalized, the Depository Institution shall submit a copy of the internal auditor attestation to the Reserve Bank[, to the U.S. Branch/Agency,] and to the audit committee of the Depository Institution's board of directors. The Depository Institution shall provide to the Reserve Bank annual confirmation of such submission to [the U.S. Branch/Agency and to] the audit committee of the Depository Institution's board of directors.
12. The [Depository Institution][U.S. Branch/Agency] acknowledges that it is a financial institution subject to United States law, including but not limited to the Bank Secrecy Act (31 U.S.C. § 5311 et seq.) and the rules, regulations and transaction reporting requirements issued thereunder by the U.S. Department of Treasury (31 C.F.R. Chapter X). [The U.S. Branch/Agency acknowledges that it may not solely rely on the Depository Institution's satisfaction of the reporting and compliance obligations under the Agreement to fulfill the U.S. Branch/Agency's obligations under United States law.] Accordingly, in addition to fulfilling other applicable requirements, the [Depository Institution][U.S. Branch/Agency] shall establish and maintain a system of internal controls (including, without limitation, appropriate due diligence, transaction monitoring and transaction reporting) sufficient to fulfill its obligations under applicable U.S. law.
13. The Reserve Bank may terminate this Agreement with immediate effect upon written notice to the other part[y][ies], but the Reserve Bank will endeavor to give not less than five (5) business days prior written notice. Provided that the Depository Institution has established to the Reserve Bank's satisfaction that the Depository Institution [and its U.S. Branch/Agency] [has][have] ceased to engage in any cross-border currency activity described in paragraph 1 of this Agreement and will not recommence such activity, the Depository Institution may terminate this Agreement by giving the Reserve Bank not less than five (5) business days prior written notice. Any termination of this Agreement will not affect (i) the obligations of the Depository Institution [or its U.S. Branch/Agency] set forth in paragraph 6 with respect to all Reportable Banknote Activity conducted prior to the effective date of the termination, (ii) the obligations of the Depository Institution set forth in paragraphs 10 and 11 with respect to the portion of the calendar year from January 1 to the effective date of the termination, or (iii) the right of the Reserve Bank to

make all debits, credits, or adjustments required by, or incidental to, orders or deposits made prior to the effective date of the termination.

14. Irrespective of any other agreement which the Depository Institution may have in place with any Federal Reserve Bank, any event of non-compliance by the Depository Institution [or its U.S. Branch/Agency] with this Agreement, with such non-compliance to be determined exclusively by the Reserve Bank, may permit the Reserve Bank to take any action that the Reserve Bank, in its sole discretion, deems appropriate, including, but not limited to, suspension or termination of International Cash Services or the referral of such event of non-compliance to any governmental authority, including any civil or penal authority. The Reserve Bank reserves the unilateral right to modify, suspend, or terminate its provision of International Cash Services under this Agreement for any reason, in any manner, and at any time that the Reserve Bank, in its sole discretion, deems appropriate.
15. This Agreement is to be governed by the Federal law of the United States of America and, in the absence of controlling Federal law, in accordance with the laws of the State of [STATE], notwithstanding [STATE]'s conflict of law rules. Any legal action, suit, or proceeding arising out of or in connection with this Agreement may be brought only in the United States District Court for the [DISTRICT]. For these purposes, the Depository Institution submits to the jurisdiction in personam of such court, waives any objection to venue in such court, and agrees to appoint and maintain an officer of the [Depository Institution][U.S. Branch/Agency] as agent to receive service of process in the State of [STATE].

Please acknowledge your acceptance of the foregoing by signing and returning three signed originals of this letter to my attention at the address above.

Sincerely,

FEDERAL RESERVE BANK OF [CITY]

By _____

Print Name:

Print Title:

Acknowledged and agreed as of [DATE]:

[DEPOSITORY INSTITUTION]

By _____

Print Name:

Print Title:

[U.S. BRANCH/AGENCY]

By _____

Print Name:

Print Title:

**SCHEDULE A:
FORM OF DEPOSITORY INSTITUTION’S MANAGEMENT ASSERTION**

MANAGEMENT ASSERTION

for the period beginning January 1, [] and ending December 31, []

The undersigned [is][are] responsible for the compliance of [BANK NAME] (the “Depository Institution”) with the requirements of the letter agreement (the “Agreement”) between the Depository Institution[, its U.S. Branch/Agency,] and the Federal Reserve Bank of [CITY], dated as of [DATE] [and amended as of [DATE]]. The Agreement is attached hereto as Exhibit A.

We have evaluated the Depository Institution’s compliance with (i) all requirements in the Agreement with respect to OFAC Prohibitions and Federal Reserve Prohibitions (each as defined in the Agreement) and (ii) all requirements in the Agreement to accurately report Reportable Banknote Activity, and have also evaluated the internal control policies and procedures for ensuring compliance and detecting non-compliance with such requirements as applicable.

Based upon these evaluations, we assert that the Depository Institution was in compliance with all requirements in the Agreement (i) with respect to OFAC Prohibitions, Federal Reserve Prohibitions and (ii) to accurately report Reportable Banknote Activity, each in all material respects, for the period January 1, [] to December 31, [].

[SIGNATURE]

Name:

Title:

Date:

**SCHEDULE B:
FORM OF INTERNAL AUDITOR ATTESTATION TO THE MANAGEMENT ASSERTION**

The undersigned [has][have] examined the attached management assertion that [BANK NAME] (the “Depository Institution”) has complied with all requirements (i) with respect to OFAC Prohibitions and Federal Reserve Prohibitions and (ii) to accurately report Reportable Banknote Activity, each as specified in the letter agreement referred to in the attached assertion for the period January 1, [____] to December 31, [____] (the “Agreement”).

Management is responsible for the Depository Institution’s compliance with these requirements. Our responsibility is to express an opinion on management’s assertion about the Depository Institution’s compliance based on our examination.

Our examination included examining, on a test basis, evidence about the Depository Institution’s compliance with these requirements, and performing such other procedures as we considered necessary under the circumstances. We believe that our examination provides a reasonable basis for our opinion. Our examination does not provide a legal determination on the Depository Institution’s compliance with the specified requirements.

In our opinion, management’s assertion that the Depository Institution complied with all requirements in the Agreement with respect to OFAC Prohibitions and Federal Reserve Prohibitions for the period January 1, [____] to December 31, [____] is fairly stated, in all material respects. Also in our opinion, management’s assertion that the Depository Institution complied with all requirements to accurately report Reportable Banknote Activity for the period January 1, [____] to December 31, [____] is fairly stated, in all material respects.

This report is intended solely for the information and use of the Depository Institution and the Federal Reserve Bank of [____], and is not intended to be and should not be used by anyone other than these specified parties.

[SIGNATURE]

Name:

Title:

Date: