



FEDERAL RESERVE BANK *of* KANSAS CITY

June 15, 2010

**INTERAGENCY EXAMINATION PROCEDURES FOR REVIEWING COMPLIANCE  
WITH THE UNLAWFUL INTERNET GAMBLING ENFORCEMENT ACT OF 2006**

**Attention:** Chief Executive Officer of Each Tenth District State Member Bank and Bank Holding Company

**In Brief:** The Board of Governors of the Federal Reserve System ("Board") has issued interagency guidance for reviewing compliance by supervised financial institutions with the final rule implementing the Unlawful Internet Gambling Enforcement Act of 2006 ("UIGEA").

**Highlights:** The guidance provides an overview of the UIGEA and sets forth procedures for reviewing compliance by financial institutions with the implementing rule, which was developed by the Board and the Department of the Treasury. The rule establishes a compliance date of June 1, 2010.

The rule requires certain participants in the designated payment systems to establish policies and procedures that are reasonably designed to identify and block, or otherwise prevent or prohibit, restricted transactions. The designated payment systems are (i) automated clearing house ("ACH") systems, (ii) card systems, (iii) check collection systems, (iv) money transmitting businesses, and (v) wire transfer systems.

The rule also provides non-exclusive examples of acceptable policies and procedures. Although these policies and procedures are not the only means for complying with the rule, they provide a safe harbor for non-exempt participants in the designated payment systems.

Appendix A of the overview is a summary chart of the obligations of non-exempt participants in payment systems designated by the final rule, while Appendix B is the interagency UIGEA examination procedures.

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