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To: Clients and Friends

From: David F. Dulock

Subject: Federal Regulatory Agencies Joint Statement on Innovative Efforts to Combat Money Laundering and Terrorist Financing

On December 3, 2018, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Financial Crimes Enforcement Network (FinCEN), the National Credit Union Administration, and the Office of the Comptroller of the Currency (collectively, the Agencies) issued a Joint Statement ([click here](#)) to encourage banks to consider, evaluate, and, where appropriate, responsibly implement innovative approaches to meet Bank Secrecy Act/anti-money laundering (BSA/AML) compliance obligations commensurate with their risk profiles.

For purposes of the Joint Statement, the term “bank” is defined in 31 CFR 1010.100(d):

Each agent, agency, branch or office within the United States of any person doing business in one or more of the capacities listed below:

- (1) A commercial bank or trust company organized under the laws of any State or of the United States;
- (2) A private bank;
- (3) A savings and loan association or a building and loan association organized under the laws of any State or of the United States;
- (4) An insured institution as defined in section 401 of the National Housing Act;
- (5) A savings bank, industrial bank or other thrift institution;
- (6) A credit union organized under the law of any State or of the United States;
- (7) Any other organization (except a money services business) chartered under the banking laws of any state and subject to the supervision of the bank supervisory authorities of a State;
- (8) A bank organized under foreign law;
- (9) Any national banking association or corporation acting under the provisions of section 25(a) of the Act of Dec. 23, 1913, as added by the Act of Dec. 24, 1919, ch. 18, 41 Stat. 378, as amended (12 U.S.C. 611-32).

The Agencies will not penalize or criticize banks that maintain effective BSA/AML compliance programs but choose not to pursue innovative approaches nor will they advocate a particular method or technology for banks to comply with BSA/AML requirements. Further, the implementation of innovative approaches in banks’ BSA/AML compliance programs will not result in additional regulatory expectations.

The Agencies welcome industry’s feedback on how the Agencies can best support innovative efforts through explanations of, or updates to, supervisory processes, regulations, and guidance. Those wishing to share such feedback in writing may do so by sending their submission electronically to FinCEN at FRC@fincen.gov.

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