

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

Financial Institution Letter FIL-36-2005 April 29, 2005

BANK SECRECY ACT VEF Banka, Riga, Latvia – Subject of Primary Money Laundering Concern

Summary: The Department of the Treasury has designated VEF Banka, Riga, Latvia, to be of primary money laundering concern and has issued proposed countermeasures.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing: Chief Executive Officer BSA Compliance Officer

Related Topics: Bank Secrecy Act

Attachment: Proposed Rule for VEF Banka

Contact:

Senior Financial Analyst, Debra L. Novak at SASFIL@FDIC.gov or (202) 898-3673

Note:

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at www.fdic.gov/news/news/financial/2005/index.html.

To receive FILs electronically, please visit http://www.fdic.gov/about/subscriptions/fil.html.

Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street, NW, Room 100, Washington, DC 20434 (1-877-275-3342 or 202-416-6940).

Highlights:

- On April 21, 2005, the Department of the Treasury's (Treasury) Financial Crimes Enforcement Network (FinCEN) announced the designation of VEF Banka, Riga, Latvia, to be a financial institution of "primary money laundering concern" under Section 311 of the USA PATRIOT Act.
- Treasury, acting through FinCEN, is issuing a proposed rule to impose special measures against VEF Banka. The proposed rule would prohibit U.S. financial institutions from opening or maintaining correspondent or payable-through accounts in the U.S. for, or on behalf of, VEF Banka. This proposed prohibition extends to correspondent or payable-through accounts maintained for other foreign banks when such accounts are used by the foreign bank to provide financial services to VEF Banka indirectly.
- Treasury is soliciting written comments regarding this proposed rule. The proposed rule can be found on the FinCEN Web site under "What's New" at http://www.fincen.gov. Comments must be submitted on or before May 26, 2005, to Treasury via electronic mail at regcoments@fincen.treas.gov. Include RIN 1506-AA82 in the subject line of the message. Comments may also be submitted by paper mail to FinCEN, P.O. Box 39, Vienna, Virginia 22183. Include RIN 1506-AA82 in the body of the text.
- Please distribute this information to the appropriate personnel in your institution.