



## ANTI-MONEY LAUNDERING MEASURES

FIL-42-2003  
May 27, 2003

TO: CHIEF EXECUTIVE OFFICER (also of interest to the BSA Compliance Officer)  
SUBJECT: Final Rule on Customer Identification Programs  
Summary: *The Department of the Treasury and the federal banking, thrift and credit union regulatory agencies have jointly issued a final rule to implement Section 326 of the USA PATRIOT Act. This section requires financial institutions to implement a customer identification program to verify the identity of customers opening new accounts.*

The U.S. Department of the Treasury, through the Financial Crimes Enforcement Network (FinCEN); the Federal Deposit Insurance Corporation (FDIC); the Board of Governors of the Federal Reserve System; the Office of the Comptroller of the Currency; the Office of Thrift Supervision; and the National Credit Union Administration have jointly issued the attached final rule adding section 103.121 – "Customer Identification Programs for Banks, Savings Associations, and Credit Unions" – to the Bank Secrecy Act regulations.

The final rule implements section 326 of the USA PATRIOT Act of 2001, which requires financial institutions to implement a customer identification program to verify the identities of customers opening new accounts.

The new section 103.121 of the Bank Secrecy Act regulations requires that financial institutions:

- implement a written risk-based customer identification program;
- maintain records, including customer information and methods, used to verify customers' identities; and
- compare the names of new customers against government lists of known or suspected terrorists or terrorist organizations when such lists are provided by their federal regulator.

The final rule, which applies to customers opening new accounts, also permits a financial institution to reasonably rely on another regulated U.S. financial institution to perform any part of the financial institution's customer identification program.

The final rule takes effect on June 9, 2003; however, financial institutions have until October 1, 2003, to implement a customer identification program. The FDIC is amending its examination procedures to address the new requirements.

For further information, you may contact the FDIC's Special Activities Section, Division of Supervision and Consumer Protection, at (202) 898-3981.

For your reference, FDIC Financial Institution Letters may be accessed from the FDIC's Web site at <http://www.fdic.gov/news/news/financial/2003/index.html>. To learn how to automatically receive FDIC Financial Institution Letters through e-mail, please visit <http://www.fdic.gov/news/news/announcements/index.html>.

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Director

Attachment: May 9, 2003, Federal Register, pages 25090 – 25113 [HTML](#) | [PDF](#) (205 KB File - [PDF Help](#) or [Hard Copy](#))

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