



BANK SECRECY ACT EXAMINATION PROCEDURES

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The USA PATRIOT Act (Public L. No. 107-560), enacted on October 26, 2001, made a number of amendments to the anti-money laundering provisions of the Bank Secrecy Act (31 USC 5311 et. seq.). The amendments were intended to make it easier to prevent, detect and prosecute money laundering and the financing of terrorism. As required by the statute, the U.S. Department of the Treasury amended its Financial Recordkeeping and Reporting of Currency and Foreign Transaction Rules (31 CFR Part 103). As a result, the Federal Deposit Insurance Corporation (FDIC) revised its examination procedures for assessing anti-money laundering (AML) programs and Bank Secrecy Act (BSA) compliance to incorporate the new regulations.

The FDIC is providing the attached AML/BSA examination procedures to assist you in your efforts to comply with Subpart B of Part 326 of the FDIC's Rules and Regulations. Subpart B of Part 326 governs programs and procedures within the bank to ensure compliance with the BSA and Treasury Department rules. The attached procedures will be used at every safety and soundness examination.

The FDIC developed the procedures in consultation with 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 to facilitate a consistent supervisory approach among the banking agencies. The procedures reflect the FDIC's risk-focused approach to examinations, which concentrates on risk-management practices and guides examiners to establish the appropriate examination scope. The formatting of the procedures incorporates questions and points of consideration into examination procedures to specifically address a bank's risk-management and anti-money laundering strategies and policies for each of its major business activities. The procedures direct examiners to consider areas of potential money laundering risk and associated risk-control practices, facilitating a more effective supervisory program. The procedures are divided into *Basic Procedures* and *Expanded Procedures*. *Basic Procedures* are to be considered at every examination, while *Expanded Procedures* are to be considered when the bank engages in specific high-risk activity or where weaknesses in anti-money laundering and BSA compliance programs exist.

The FDIC will periodically amend its examination policies and procedures to address emerging anti-money laundering issues. For further information about the FDIC's AML/BSA examination procedures, please contact your FDIC Division of Supervision and Consumer Protection Regional Office.

For your reference, FDIC Financial Institution Letters may be accessed from the FDIC's Web site at 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>.

Michael J. Zamorski
Director

Attachments:

- [Bank Secrecy Act Examination Procedures](#)
- [Anti-Money Laundering/Bank Secrecy Act Basic Procedures](#)
- [Pre-Examination \(Offsite\) BSA Request List](#)

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