



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, DC 20429

BANK SECRECY ACT

FIL-97-2003
December 19, 2003

TO: CHIEF EXECUTIVE OFFICER (also of interest to BSA Compliance Officer)

SUBJECT: Burma and Two Burmese Banks Are Considered "Primary Money Laundering Concerns"

Summary: *The Department of the Treasury has designated Burma and two Burmese banks to be of primary money laundering concern and has issued proposed countermeasures.*

On November 18, 2003, the Department of the Treasury (Treasury) announced the designation of Burma and two Burmese banks to be of "primary money laundering concern" under Section 311 of the USA PATRIOT Act. Treasury, acting through the Financial Crimes Enforcement Network (FinCEN), is issuing a proposed rule to impose special measures against Burma and the two Burmese financial institutions.

The proposed rule would prohibit U.S. financial institutions from establishing, maintaining, administering or managing correspondent or payable-through accounts in the U. S. for, or on behalf of, Burmese financial institutions, unless operation of those accounts is not prohibited by Executive Order 13310. This 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 a Burmese financial institution indirectly.

Additionally, the Treasury Secretary designated two Burmese financial institutions, Myanmar Mayflower Bank and Asia Wealth Bank, as financial institutions of primary money laundering concern. By a separate rule, Treasury and FinCEN are proposing the imposition of the fifth special measure under Section 311 of the USA PATRIOT Act. This special measure would prohibit certain U.S. financial institutions from establishing, maintaining, administering or managing correspondent or payable-through accounts for, or on behalf of, Myanmar Mayflower Bank or Asia Wealth Bank. The proposed rules can be found on the Federal Register Web site at http://frwebgate.access.gpo.gov/cgi-bin/getpage.cgi?position=all&page=66299&dbname=2003_register.

Treasury is soliciting written comments regarding this notice of the proposed rules. Comments must be submitted on or before December 26, 2003, to Treasury via electronic mail at regcomments@fincen.treas.gov with the caption in the body of the text: "ATTN: Section 311—Designation of Burma." Comments may also be submitted by paper mail to FinCEN, P.O. Box 39, Vienna, Virginia 22183, Attn: Section 311 Special Measure Regulation (Burma).

Please distribute this information to the appropriate personnel in your institution.

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>.

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Director

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