

# Sheshunoff™

Dear Valued Customer,

Although other topics are making headlines, regulators continue their focus on compliance with the Bank Secrecy Act and anti-money laundering regulations. This update to *Bank Secrecy Act and Anti-Money Laundering Service* includes the following new and revised information:

- *FinCEN's guidance on "reasonable determination" of percentage of ineligible business activities.* FinCEN has issued guidance to help financial institutions determine whether certain businesses qualify for an exemption from currency transaction reporting. A new section in Chapter 4 discusses how to form a "reasonable determination" of the percentage of a business' gross revenues per year that are derived from one or more of the ineligible business activities listed in the rule and document your conclusions.
- *Patriot Act 314(b) safe harbor.* FinCEN has issued interpretive guidance to clarify the application of section 314(b) of the USA PATRIOT Act and the protection of safe harbor from liability. A new section in Chapter 6A discusses the guidance.
- *New CTR reference guide for customers.* FinCEN has produced a pamphlet that will help your employees explain currency transaction reporting requirements to your customers. A copy of the guide has been added to Chapter 4 as an exhibit.
- *BSA E-Filing.* Effective June 27, 2009, BSA E-Filing transitioned to the use of Adobe forms. A Transition Questions and Answers document is available on the BSA E-Filing web site and the transition is discussed in Chapters 4 and 4A.
- *Mortgage fraud.* Your activities may intersect with suspected mortgage fraud scams when the scammers use your bank for moving funds related to the scams or when your customers may become victims. A new section in Chapter 4A discusses the latest scams related to mortgage loan modification and foreclosure rescue. Chapter 8 discusses how to deal with suspected mortgage fraud through your customer due diligence program.
- *Other scam news.* The IRS continues to uncover e-mail and phone scams designed to obtain customers' personal and financial information. The scams are discussed in Chapter 9, and the IRS' sample scam e-mail is included as an exhibit.
- *Asset forfeiture.* The Department of Justice has published a guide to returning forfeited assets to crime victims. The guide has been added to Chapter 7 as an exhibit.
- *Money service businesses.* A discussion of whether a company that acts as an authorized agent for collection of social security or Veterans Administration benefits is a money service business has been added to Chapter 8.
- *Due diligence for foreign bank accounts.* FinCEN's March 2009 report on whether the latest special due diligence provisions are achieving their intended results is discussed in Chapter 10, and the report has been added on the CD as Appendix H.

Also on the CD, Appendix D contains the May 2009 issue of *The SAR Activity Review*.

Our goal with the *Bank Secrecy Act and Anti-Money Laundering Service* is to provide everything you need to manage your BSA/AML compliance programs. Please let me know if you have suggestions for making this manual more useful; you can e-mail your comments to me at [alana.foster@sheshunoff.com](mailto:alana.foster@sheshunoff.com).