

Sheshunoff™

Dear Valued Customer,

Although other topics are making headlines, regulators continue their focus on the internal audit and risk management aspects of the Bank Secrecy Act and anti-money laundering regulations. This update to *BSA/Anti-Money Laundering: Internal Audit and Risk Management* includes the following new and revised information:

- *Exemption from CTR filing.* The discussion of exemption from CTR filing has been expanded in Chapter 7. New discussions cover risk assessments of exempt customers, supporting documentation for exempt persons, how to form a “reasonable determination” of the percentage of a business’ gross revenues per year derived from ineligible business activities listed in the rule, exemption for tribal casinos, and reporting requirements. FinCEN’s guidance on determining eligibility for exemption from CTR reporting requirements has been added to Chapter 7 as an exhibit.
- *IAT rules.* The new International ACH Transaction rules took effect September 18, 2009, and the section on IAT policies and procedures has been updated in Chapter 10. The ACH transactions checklists have been updated as well.
- *Filing SARs on computer intrusion and identity theft.* In this electronic age, auditors are finding more SARs filed regarding electronic crimes. FinCEN has offered guidance on how to complete SARs for computer intrusion and identity theft. These issues are discussed in a new section in Chapter 6.
- *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 6 as an exhibit.
- *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. The section in Chapter 8 on voluntary information sharing discusses the guidance.
- *FBAR reporting.* The overview of foreign bank and financial accounts reporting in Chapter 12 has been updated to provide more information on signature authority. An IRS web site location for the most updated FAQs and other news about FBAR reporting has also been added.
- *Sample BSA policy.* The sample Bank Secrecy Act policy in Chapter 3 has been revised to include the latest changes to the CTR exemption requirements and the FBAR requirements for reporting foreign bank and financial accounts.
- *Checklists.* Any checklists that were updated in the chapters above were updated in the Checklist section as well.

Our goal with *BSA/Anti-Money Laundering: Internal Audit and Risk Management* is to provide everything you need to manage your BSA/AML risk assessments and internal audit. 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. For more information about all of our products, visit our web site at www.sheshunoff.com or call us at 1-800-456-2340.

Sincerely,

Alana Foster
Senior Editor