

## MEMORANDUM

To: Subscribers to *NAFCU's BSA/Anti-Money Laundering Guide*

From: Sheshunoff Information Services

Subject: Highlights

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Enclosed is the current update to *NAFCU's BSA/Anti-Money Laundering Guide*. This update contains new and revised information on the following topics:

- *Record retention requirements.* The 2007 edition of the Interagency BSA/AML Examination Manual contains an appendix that summarizes the BSA record retention requirements. To aid in making sure your BSA record retention policy is adequate, we have added that appendix as Exhibit 2.15.
- *Risk assessment.* Chapter 2 also contains an updated sample risk assessment in Exhibit 2.2. The new table contains a column that lists page numbers from the interagency exam manual for the suggested mitigating procedures or an overview of the requirements for some moderate and higher risk areas; the same column also contains suggested procedures to ensure the minimum due diligence or internal controls in a particular area.
- *SAR quality.* Suspicious activity reports have been instrumental in investigations of money laundering, so it is important for financial institutions to file SARs that are accurate and complete. A new section in Chapter 4A discusses how to ensure the quality of the SARs you file, and new Exhibit 4A.2 contains FinCEN's Suggestions for Addressing Common Errors Noted in Suspicious Activity Reporting.
- *Fund transfer recordkeeping requirements.* A discussion of the Continuous Linked Settlement (CLS) Bank has been added to the section on wire transfer systems in Chapter 5. Two new items have been added to the list of money laundering red flags for wire transfers at the end of the chapter.
- *Money service businesses.* The section on MSBs in Chapter 8 has been expanded to include a discussion of what qualifies as a money service business and whether private ATM operators would be considered MSBs.
- *Remote deposit capture and ACH transactions.* Check 21 made it possible for credit unions to clear share drafts based on images of the original items instead of originals. This may expose credit unions to the risk of money laundering, fraud, and compromised transmission of financial data. New sections in Chapter 9 discuss the risks involved and mitigation of those risks.
- *OFAC screening for ACH transactions.* All parties to an ACH transaction are subject to OFAC requirements. A new section in Chapter 11 discusses how examiners will deal with ACH transactions and OFAC.

Miscellaneous changes have also been made to these chapters.