



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-34-2005
April 28, 2005

NEW ANTI-MONEY LAUNDERING GUIDANCE

Guidance on Customer Identification Programs

Summary: The federal banking, thrift and credit union regulatory agencies, the Financial Crimes Enforcement Network and the Department of Treasury have jointly issued additional interpretive guidance on the application of the "Customer Identification Programs for Banks, Savings Associations, and Credit Unions" regulation. The guidance is attached.

Distribution:
FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:
Chief Executive Officer
BSA Compliance Officer
Internal Auditor

Related Topics:
Bank Secrecy Act

Attachment:
[Guidance on Customer Identification Programs - Frequently Asked Questions](#)

Contact:
Lisa D. Arquette or Tonya L. Spratley at
SAS_FIL@FDIC.gov or (202) 898-3673

Note:
FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at
www.fdic.gov/news/news/financial/2005/index.html.

To receive FILs electronically, please visit
<http://www.fdic.gov/about/subscriptions/fil.html>.

Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street, NW, Room 100, Washington, DC 20434 (1-877-275-3342 or 202-416-6940).

Highlights:

- The federal banking agencies, together with the Financial Crimes Enforcement Network (FinCEN) and the Department of the Treasury (Treasury), are augmenting interpretive guidance related to the Customer Identification Program (CIP) rule (31 C.F.R. 103.121), which is the regulation implementing Section 326 of the USA PATRIOT Act.
- Since the issuance of the original interpretive guidance contained in FIL-4-2004, dated January 9, 2004, the federal banking agencies, FinCEN and Treasury have received many inquiries from the industry seeking further clarification on various aspects of the CIP rule.
- The federal banking agencies, FinCEN, and Treasury have provided answers to ten additional questions, which are being distributed in the attached document.
- The attached document is a compilation of the original and new frequently asked questions and answers.

NEW ANTI-MONEY LAUNDERING GUIDANCE
Guidance on Customer Identification Programs

The Federal Deposit Insurance Corporation (FDIC) is issuing the attached additional interpretive guidance to financial institutions on the application of the Customer Identification Program (CIP) rule (31 C.F.R. 103.121), which is the regulation implementing Section 326 of the USA PATRIOT Act. This guidance is also being issued by the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the National Credit Union Administration, the Financial Crimes Enforcement Network, and the Department of Treasury (Treasury).

Section 103.121 of Treasury's Financial Recordkeeping and Reporting Regulations (also called the Bank Secrecy Act) requires that financial institutions implement a written risk-based customer identification program; maintain records, including customer information and methods used to verify customers' identities; and compare the names of new customers against government lists of known or suspected terrorists or terrorist organizations. The attached Frequently Asked Questions (FAQs) document provides additional interpretive guidance to the CIP rule. Financial institutions are expected to implement additional principles consistent with safe and sound risk-management practices when conducting customer due diligence, underwriting or account administration.

Michael J. Zamorski
Director
Division of Supervision and Consumer Protection

William F. Kroener III
General Counsel