



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

Financial Institution Letter
FIL-113-2007
December 21, 2007

USA PATRIOT ACT

Final Regulation Implementing Section 312 – Special Due Diligence Programs for Certain Foreign Accounts

Summary: The Financial Crimes Enforcement Network (FinCEN) has issued the attached final rule to implement the enhanced due diligence requirements for correspondent accounts for certain foreign banks set forth in Section 312 of the USA PATRIOT Act.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

Chief Executive Officer
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Related Topics:

Bank Secrecy Act/Anti-Money Laundering Programs

Attachment:

August 9, 2007, *Federal Register* notice Special Due Diligence Programs for Certain Foreign Accounts:

<http://a257.g.akamaitech.net/7/257/2422/01jan20071800/edocket.access.gpo.gov/2007/pdf/E7-15467.pdf>

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Note:

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Highlights:

- On August 2, 2007, FinCEN issued the attached final rule implementing a key provision of Section 312 of the USA PATRIOT Act regarding special due diligence programs for certain foreign accounts. The final rule took effect on September 10, 2007, and completes the implementation of Section 312 of the USA PATRIOT Act.
- The final rule applies to any correspondent account maintained for a foreign bank that operates under an offshore banking license, a banking license issued by a country designated as non-cooperative with international anti-money laundering principles, or a banking license issued by a country designated by the Secretary of the Treasury as warranting special measures.
- The rule states that U.S. financial institutions must conduct enhanced scrutiny of such correspondent accounts to guard against money laundering and report suspicious transaction, determine whether the foreign bank in turn allows other foreign banks usage of the account, and identify the owner and ownership interest for foreign banks whose shares are not publicly traded.
- Enhanced due diligence (EDD) provisions will apply to correspondent accounts for certain foreign banks established on or after February 5, 2008. On May 5, 2008, the EDD provision requirements will apply to all applicable correspondent accounts, including those established prior to February 2008.