



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

Financial Institution Letter
FIL-19-2006
March 1, 2006

BANK SECRECY ACT

Foreign Bank Recertifications

Summary: The Financial Crimes Enforcement Network (FinCEN) has released the attached guidance to clarify the date on which certain U.S. financial institutions must complete recertifications to comply with regulations relating to correspondent accounts established, maintained, administered or managed in the U.S. for, or on behalf of, foreign financial institutions.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

Chief Executive Officer
BSA Compliance Officer

Related Topics:

Bank Secrecy Act

Attachment:

Frequently Asked Questions
Foreign Bank Recertifications under 31 C.F.R. §
103.177

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Note:

FDIC Financial Institution Letters (FILs) may be
accessed from the FDIC's Web site at
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Highlights:

- On February 3, 2006, FinCEN issued guidance to clarify the date that U.S. financial institutions must complete recertifications to comply with regulations relating to correspondent accounts established, maintained, administered or managed in the U.S. for, or on behalf of, foreign financial institutions.
- The Bank Secrecy Act prohibits banking institutions from establishing, maintaining, administering or managing a correspondent account in the U.S. for, or on behalf of, foreign banks that do not have a physical presence in any country. The regulations allow covered financial institutions to receive a "safe harbor" for compliance if they use the certification process.
- A financial institution must obtain a certification from each foreign bank for which it maintains a correspondent account at least once every three years to maintain the safe harbor.
- FinCEN has determined that all recertifications must be obtained by financial institutions on or before the three-year anniversary of the execution of the initial or previous certification.
- The complete document can be found at the following FinCEN website:
<http://www.fincen.gov/faqsguidance.html>.
- Please distribute this information to the appropriate personnel in your institution.

