

## **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:

<u>Guidance on Customer Identification</u>
Programs - Frequently Asked Questions

#### Contact:

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#### Note:

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site at <a href="https://www.fdic.gov/news/news/financial/2005/index.html">www.fdic.gov/news/news/financial/2005/index.html</a>.

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.

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## 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.

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