



Southeast Bankers Outreach Forum

BSA/AML Compliance

Common Themes

October 23, 2013

Kathryn Hinton
Assistant Vice President



**FEDERAL
RESERVE
BANK
of ATLANTA**

The views and opinions expressed are those of the presenter and are not necessarily those of the Federal Reserve Bank of Atlanta or the Board of Governors of the Federal Reserve System

BSA/AML Compliance – Common Themes

- Examination Results
- The Environment
- Regulatory Changes

The opinions expressed are those of the presenter and not those of the Federal Reserve Bank of Atlanta, the Federal Reserve, or its Board of Governors.



BSA/AML Compliance – Examination Results

- Most banks have satisfactory programs
- Areas of focus – findings
 - Program is static or doesn't fit risk
 - Customer risk assessments stale
 - Need to incorporate new/revised products into monitoring
 - Need to test/validate the monitoring system
 - Need to appropriately document

BSA/AML Compliance – The Environment

- High profile, public actions – continued scrutiny of BSA/AML programs
- Concerns with technology breaches - safety of customer information
 - DDoS as a diversionary tactic
- Financial pressures continue – cost of compliance
- Convergence with tax compliance

BSA/AML Compliance – Regulatory Focus

- Risk-based programs – still the expectation
- ANPRM - Customer Due Diligence and Beneficial Ownership proposal
 - Explicit due diligence requirements
 - Emphasis on transparency – ownership
- Importance of strong vendor management
- Model risk management
- BSA/AML and Applications



Thank You