

RESCINDED AL 2002-2

OCC ADVISORY LETTER

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Subject: U.S. Department of Treasury
FinCEN Advisories 11A and 21A

TO: Chief Executive Officers and Compliance Officers of National Banks and Federal Branches, Department and Division Heads, and Examining Personnel

This advisory letter revises the list of countries detailed in OCC Advisory Letter (AL) 2000-8, "U.S. Department of Treasury FinCEN Advisories 13 through 27," dated August 9, 2000 and AL 2001-7, "U.S. Department of Treasury FinCEN Advisories 13A, 14A, 19A, 23A," dated July 25, 2001.

In July 2000, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issued a series of advisories identifying 15 countries with serious deficiencies in their counter-money-laundering systems.¹ Recently, FinCEN issued the attached Advisory 21A regarding the Republic of Nauru and continuing concerns about Nauru's counter-money-laundering systems. Advisory 21A supplements FinCEN Advisory 21 (Nauru), issued in July 2000. The advisory reminds banks, in addition to using enhanced scrutiny recommended in Advisory 21, to comply with the requirements of Section 313 of the USA PATRIOT Act of 2001 with respect to correspondent accounts with foreign shell banks. FinCEN's supplemental Advisory 21A is consistent with the recent decision of the Financial Action Task Force on Money Laundering (FATF) to impose countermeasures against Nauru.

In addition, due to the enactment of significant reforms to its counter-money-laundering systems and the concrete steps being taken to bring these reforms into effect, FinCEN has issued Advisory 11A, which supersedes and withdraws Advisory 11 (Antigua and Barbuda), issued in April 1999.

Following the issuance of advisories 11A and 21A, FinCEN advisories remain in effect for the following jurisdictions²:

- The Cook Islands,
- Dominica,
- Israel,
- Lebanon,
- The Marshall Islands,
- Nauru,

¹ See FinCEN Advisories 13 - 27 (July, 2000). The FinCEN advisories are available at [www.treas.gov/fincen] and additional guidance is provided in OCC AL 2000-8.

² See FinCEN advisories 2, 15-18, 20-22, and 24-27.

- Niue,
- The Philippines,
- The Russian Federation,
- St. Kitts and Nevis,
- St. Vincent and The Grenadines, and
- The Seychelles.

The FinCEN advisories emphasize the need for enhanced scrutiny of certain transactions and banking relationships in these jurisdictions to ensure that appropriate measures are taken to minimize risk of money laundering. Please refer to OCC AL 2000-8 for additional information on banking relationships in the subject jurisdictions. Also, refer to the Bank Secrecy Act/Anti-money Laundering booklet in the *Comptroller's Handbook* and OCC AL 2000-3 for guidance on controlling risk of money laundering. Copies of the booklet and the OCC advisory letters are available at [www.occ.treas.gov/handbook/bsa.pdf] and [www.occ.treas.gov/advlst00.htm].

If you have any questions, or need copies of the new FinCEN advisories, please contact your supervisory office or the Compliance Division at (202) 874-4428.

David G. Hammaker
Deputy Comptroller for Compliance

Attachments

- [FinCEN Advisory 11A](#)
- [FinCEN Advisory 21A](#)



United States Department of the Treasury
Financial Crimes Enforcement Network

FinCEN Advisory

Subject:
**Transactions
Involving
Antigua and
Barbuda**

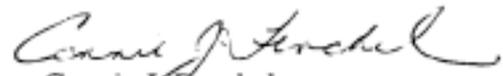
Date:
**August
2001**

Advisory:
**Issue
11A**

This Advisory is being issued to inform banks and other financial institutions operating in the United States that Financial Crimes Enforcement Network (FinCEN) Advisory 11, regarding Antigua and Barbuda, is hereby withdrawn.

Since the issuance of Advisory 11, Antigua and Barbuda has enacted significant reforms to its counter-money laundering system, addressing the points noted in Advisory 11, and has taken concrete steps to bring these reforms into effect. Because of the enactment of new laws and the beginning of effective implementation, enhanced scrutiny with respect to transactions involving Antigua and Barbuda, as called for in Advisory 11, is no longer necessary.

The withdrawal of Advisory 11 does not relieve institutions of their pre-existing and on-going obligation to report suspicious activity, as set forth in regulations issued by FinCEN and by the federal bank supervisory agencies, as well as their obligation to comply with all other applicable provisions of law.


Connie J. Fenchel
Acting Director



FinCEN Advisory is a product of the Financial Crimes Enforcement Network, U.S. Department of the Treasury, 2070 Chain Bridge Road, Vienna, VA 22182, (703) 905-3773. For more information about FinCEN's programs, visit the

FinCEN website at <http://www.ustreas.gov/fincen>.

Questions or comments regarding the contents of the FinCEN Advisory should be addressed to the Office of Communications, FinCEN.

Information may also be faxed to (703) 905-3885.



United States Department of the Treasury
Financial Crimes Enforcement Network

FinCEN Advisory

**Subject:
Transactions
Involving
Nauru**

**Date:
January
2002**

**Advisory:
Issue 21A**

This Advisory is being issued to supplement the Financial Crimes Enforcement Network (FinCEN) Advisory 21, issued in July 2000, regarding the Republic of Nauru. Although Nauru has enacted some legislative reforms to address the deficiencies noted in Advisory 21, the Treasury Department has determined that the reforms are not sufficient, especially with regard to its offshore banking sector. As a result, FinCEN is issuing this further Advisory to remind U.S. financial institutions of their statutory obligation to terminate any correspondent account provided to a foreign shell bank, including any foreign shell bank licensed by Nauru.

Therefore, in addition to the enhanced scrutiny recommended in Advisory 21, U.S. banks and other financial institutions are reminded of their obligations pursuant to 31 U.S.C. 5318(j), as added by Section 313 of the USA PATRIOT Act of 2001, with respect to correspondent accounts with foreign shell banks. Under this new provision, U.S. financial institutions, as well as other financial institutions operating in the United States, are required to terminate any correspondent accounts provided to foreign shell banks, and they must take reasonable steps to ensure that correspondent accounts held by foreign banks are not being used to provide banking services indirectly to foreign shell banks. A shell bank is a bank with neither a physical presence in any jurisdiction nor an appropriate affiliation with a regulated, non-shell bank. The Treasury Department has issued both an Interim Guidance as well as a Notice of Proposed Rulemaking that further outline the requirements of this new section. *See* 66 Fed. Reg. 59,344 (Nov. 27, 2001); 66 Fed. Reg. 67,460 (Dec. 28, 2001).

The issuance of this Advisory does not mean that U.S. financial institutions should curtail legitimate business with Nauru, but rather, particular caution should be exercised to ensure compliance with applicable U.S. law.



James F. Sloan
Director

*FinCEN Advisory is a product of the Financial Crimes Enforcement Network,
Department of the Treasury, Post Office Box 39, Vienna, Virginia 22183.
For more information about FinCEN's programs, visit the FinCEN web site at
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