

RESCINDED

Transmittal – See OCC 2020-11

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Bank Secrecy Act/Anti-Money Laundering: FinCEN; Final Rule for Section 312 of the USA PATRIOT Act; Enhanced Due Diligence for Correspondent Accounts Maintained by Certain Foreign Banks

The attached documents, issued on August 8, 2007, by the Financial Crimes Enforcement Network (FinCEN), announce the final rule implementing a significant provision of Section 312 of the USA PATRIOT Act.

Section 312 of the USA PATRIOT Act requires U.S. financial institutions to perform due diligence and, in some cases, enhanced due diligence, with regard to correspondent accounts established or maintained for foreign financial institutions and private banking accounts established or maintained for non-U.S. persons. This final rule applies to the accounts of three specific categories of foreign banks, including those with an offshore banking license and certain high-risk banks subject to well-recognized international or U.S. Treasury Department determinations.

The final rule states that U.S. financial institutions must identify, for due diligence purposes, the owners of these foreign banks if their shares are not publicly traded and also ascertain whether such foreign banks provide correspondent accounts to other foreign banks and, therefore, provide them with access to the U.S. financial system. In making their risk assessments, financial institutions should consider, among other factors, the nature of the foreign banks' business, reasonably available information on the foreign banks' anti-money laundering record, and information on the nature of the foreign supervisory regulations under which the bank is operating.

The final rule is effective September 10, 2007. The enhanced due diligence requirements will apply as of February 5, 2008, to each correspondent account for certain foreign banks for accounts established on or after that date. For such correspondent accounts established before February 5, 2008, the enhanced due diligence requirements apply as of May 5, 2008.

For further information, please contact your examiner-in-charge, OCC supervisory office, or the OCC Compliance Policy Department at (202) 649-5740.

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Related Links

- [FinCEN News Release](#)
- [Final Rule 72 FR 44768](#)

To

Chief Executive Officers, BSA
Officers, and Compliance Officers
of All National Banks, Federal
Branches and Agencies,
Technology Service Providers,
Department and Division Heads,
and All Examining Personnel