

# RESCINDED

OCC Bulletin 2021-19 | April 12, 2021

Replaced - See OCC 2026-13

## Bank Secrecy Act/Anti-Money Laundering: Interagency Statement on Model Risk Management for Bank Systems Supporting BSA/AML Compliance and Request for Information

To

Chief Executive Officers, BSA Officers, and Compliance Officers of National Banks, Federal Savings Associations, and Federal Branches and Agencies; Department and Division Heads; All Examining Personnel; and Other Interested Parties

### Summary

The Office of the Comptroller of the Currency (OCC), the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation, in consultation with the Financial Crimes Enforcement Network and the National Credit Union Administration (collectively, the agencies), today published a statement regarding industry questions on model risk management. The statement addresses

how the risk management principles described in the “Supervisory Guidance on Model Risk Management” (referred to as the model risk management guidance, or MRMG)<sup>1</sup> relate to systems or models used by banks<sup>2</sup> to assist in complying with the requirements of Bank Secrecy Act/anti-money laundering (BSA/AML) laws and regulations.

On April 12, 2021, the agencies published in the *Federal Register* a request for information seeking comments from interested parties on the extent to which the principles discussed in the MRMG support banks’ compliance with BSA/AML and Office of Foreign Assets Control (OFAC) requirements. The comment period closes on June 11, 2021.

### Note for Community Banks

The interagency statement and request for information apply to all OCC-supervised banks.

## Highlights

The interagency statement

- clarifies how the principles in the MRMG may be a useful resource to guide a bank’s model risk management framework, whether formal or informal, and assist with BSA/AML compliance.
- clarifies that the MRMG is intended to provide flexibility in applying principles of risk management commensurate with the bank’s risk profile and the complexity and materiality of its models.
- recognizes the benefits to banks of employing the flexibility in the MRMG principles, including for model validation activities, to update BSA/AML models quickly in response to the evolving threat environment and to implement innovative approaches.

- recognizes that not all banks use models such as those described in the MRMG for BSA/AML compliance or have formalized model risk management frameworks.
- clarifies that with regard to the use of third-party models, banks may consider the principles discussed in the agencies' third-party risk management issuances, as well as the considerations in the MRMG that address third-party models.

The request for information

- seeks comments and information on any aspects of the relationship between BSA/AML and OFAC compliance and the principles conveyed in the MRMG, including how those principles may support compliance and any differences in perceptions regarding their application.
- asks for responses to specific questions listed in the *Federal Register* notice.

## Further Information

Please contact James Vivenzio, Director for BSA/AML Policy, at (202) 649-5470.

Grovetta N. Gardineer

Senior Deputy Comptroller for Bank Supervision Policy

## Related Links

- [Interagency Statement on Model Risk Management for Bank Systems Supporting Bank Secrecy Act/Anti-Money Laundering Compliance](#) (PDF)
- [Request for Information and Comment: Extent to Which Model Risk Management Principles Support Compliance With Bank Secrecy Act/Anti-Money Laundering and Office of Foreign Assets Control Requirements](#) (PDF)

---

<sup>1</sup> Refer to OCC Bulletin 2011-12, "Sound Practices for Model Risk Management: Supervisory Guidance on Model Risk Management."

<sup>2</sup> "Banks" refers collectively to national banks, federal savings associations, covered savings associations, and federal branches and agencies of foreign banking organizations.

Topic(s): ■ BANK SECRECY ACT & ANTI-MONEY LAUNDERING (BSA/AML)  
■ FINANCIAL CRIME ■ SUSPICIOUS ACTIVITY REPORTS (SAR)

RESCINDED