

MEMO# 16782

November 19, 2003

TREASURY DESIGNATES BURMA AND TWO BURMESE BANKS TO BE OF "PRIMARY MONEY LAUNDERING CONCERN" AND PROPOSES COUNTERMEASURES UNDER SECTION 311 OF THE PATRIOT ACT

ACTION REQUESTED [16782] November 19, 2003 TO: INTERNATIONAL COMMITTEE No. 79-03 INTERNATIONAL OPERATIONS ADVISORY COMMITTEE No. 49-03 MONEY LAUNDERING RULES WORKING GROUP No. 62-03 TRANSFER AGENT ADVISORY COMMITTEE No. 104-03 RE: TREASURY DESIGNATES BURMA AND TWO BURMESE BANKS TO BE OF "PRIMARY MONEY LAUNDERING CONCERN" AND PROPOSES COUNTERMEASURES UNDER SECTION 311 OF THE PATRIOT ACT The Treasury Department has designated Burma and two Burmese banks as primary money laundering concerns pursuant to Section 311 of the USA PATRIOT Act. Copies of Treasury's press release and accompanying fact sheet are attached. In conjunction with this designation, Treasury announced a notice of proposed rulemaking that would impose "special measures" against Burma and the two banks, as authorized by 31 U.S.C. 5318A, a section of the Bank Secrecy Act that was added by Section 311. According to the press release and fact sheet, the proposed rule would require U.S. financial institutions to terminate correspondent accounts involving Burmese financial institutions, subject to certain specified exemptions. Correspondent accounts involving the two specific banks that have been designated, Myanmar Mayflower Bank and Asia Wealth Bank, would have to be terminated without exception. Neither the press release nor the fact sheet indicate when the proposed rule will be published or the length of the attendant comment period.¹ If you have concerns over the impact on investment companies of the designation of Burma or the two specified Burmese banks as areas of primary money laundering concern, contact me at 202-371-5430 or rcg@ici.org as soon as possible. Robert C. Grohowski Associate Counsel Attachment (in .pdf format) 1 In May, Treasury designated Nauru and the Ukraine as areas of primary money laundering concern. The proposed rule that followed that designation included a thirty-day comment period.