

MEMO# 14803

June 17, 2002

DRAFT COMMENT LETTER ON DUE DILIGENCE AML PROGRAMS FOR CERTAIN FOREIGN ACCOUNTS

URGENT/ACTION REQUESTED [14803] June 17, 2002 TO: INTERNATIONAL COMMITTEE No. 46-02 MONEY LAUNDERING RULES WORKING GROUP No. 30-02 RE: DRAFT COMMENT LETTER ON DUE DILIGENCE AML PROGRAMS FOR CERTAIN FOREIGN ACCOUNTS As you know, the Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) recently proposed a rule that would implement Section 312 of the USA PATRIOT Act, which requires financial institutions to establish due diligence policies, procedures, and controls reasonably designed to detect and report money laundering through correspondent accounts and private banking accounts that U.S. financial institutions establish or maintain for non-U.S. persons.¹ Attached for your review is a draft of the Institute's comment letter on this proposed rule. The letter makes a number of comments on the provisions in the proposed rule that would apply to correspondent accounts. The comments address issues related to the scope of the proposed rule, the proposed due diligence requirements, and the timing of implementation of the required due diligence programs. The letter must be submitted to Treasury by July 1st. If you have any comments on the attached draft, please contact me at (202) 371-5430 (email: rcg@ici.org) or Frances Stadler at (202) 326-5822 (email: frances@ici.org) by the close of business on Monday, June 24th. Near the end of the draft letter, you will notice a reference to the Institute's support for a delayed compliance deadline as recommended in an ABA/FSR/BAFT/SIA comment letter. It is our understanding that the American Bankers Association, Financial Services Roundtable, Bankers Association for Foreign Trade, and Securities Industry Association are considering submitting a joint comment letter on this proposed rule, and that such a comment letter, if filed, likely would recommend a delayed compliance deadline. Robert C. Grohowski Associate Counsel Attachment (in .pdf format) 1 See Memorandum to Money Laundering Rules Working Group No. 26-02 and International Committee No. 38-02, dated May 28, 2002.

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