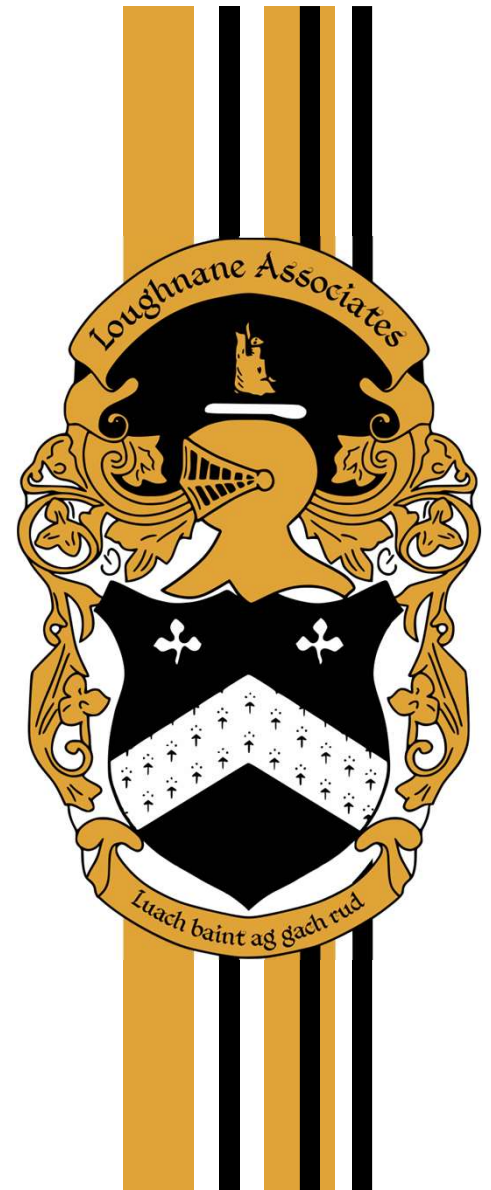


# Bank Secrecy Act and the Role of FinCEN

Loughnane Associates LLC  
*Value Touches Everything*



Huxley Orion



## **In this Module:**

**KYC and CDD Toolbox**

**Antimoney Laundering Act of 2020**

**Beneficial Ownership**

**FinCEN**

**Correspondent Banking**

**What is Core Banking**

**Travel Rule**

**Private Banking/Wealth  
Management**

**Politically Exposed Persons**

**Offshore Banking**



# KYC and CDD Toolbox





## Bank Secrecy Act Timeline: Building the Tool Set



**KNOW YOUR CUSTOMER (KYC) FORM  
STRICTLY CONFIDENTIAL**

S.No. Particulars	Details
1 Full Name of the Customer	_____
2 Legal Status	<input type="checkbox"/> Individual <input type="checkbox"/> Company <input type="checkbox"/> Partnership <input type="checkbox"/> Others _____
3 Permanent Address	_____ _____ _____
4 Business/Trading Address	_____ _____ _____
5 ID No./CR No./Registration No.	_____
6 Purpose and Nature of Transaction to be undertaken	_____
7 <b>In case of Individual</b>	
(i) Nationality	_____
(ii) Occupation or Profession	_____
(iii) Name of Establishment or Employer	_____
(iv) Location of activity	_____
(v) Is the Individual a Politically Important Person (PEP)?	<input type="checkbox"/> YES <input type="checkbox"/> NO
8 <b>In case of Others</b>	
(i) City & Country of Incorporation	_____
9 Date of Birth / Incorporation	_____
10 What is the principal business/activity of the	_____

<b>KNOW YOUR CUSTOMER (KYC) – BUSINESS CLIENT</b>				
 <b>Due Diligence to be applied to Existing Customers (Financial Obligations Regulations S. 37)</b>				
<b>Explanatory Notes:</b>				
1. The purpose of this checklist is to ensure that the identity of our clients and their source of funds are properly verified in order to achieve compliance with the Financial Obligations Regulations 2010. This checklist must be completed and submitted as part of our Due Diligence to be applied to existing clients in conformity with Anti-Money Laundering Laws and Regulations. 2. Name and address of the application mentioned on the KYC form, should match with the documentary proof submitted. 3. Copies of all the documents submitted by the applicant should be attested and accompanied by originals for verification. In case the original of any document is not produced for verification, then the copies should be properly attested by entities or persons authorised to attest such documents. 4. For non residents and foreign nationals, copies of passport or other acceptable forms of ID and overseas address are mandatory. 5. In order to comply with the Foreign Account Tax Compliance Act (FATCA), a United States based legislation; Agostini Insurance Brokers Ltd is required to obtain identity information on its clients to determine if they are U.S. persons.				
<b>Please Complete This Form In Block Letters.</b>				
Client Ref # : _____		Branch/Location: _____		
<b>A. COMPANY/ORGANIZATION IDENTITY DETAILS</b>				
Full Name of Company: _____				
Nature of Business: _____				
Trading Address: _____				
Mailing Address: _____				
Telephone Numbers:	Work 1: ( ) _____	Work 2: ( ) _____		
	Work 3: ( ) _____	Fax: ( ) _____		
Email Address: (1) _____		(2) _____		
Is the organization a Foreign Financial Institution (FFI) Yes <input type="checkbox"/> No <input type="checkbox"/> If Yes, state GIN Number : _____				
Please Provide Details: _____				
<b>B. COMPANY DOCUMENTS (Certified True Copies of the Originals must be submitted)</b>				
Certificate of Incorporation <input type="checkbox"/>	Partnership Agreement <input type="checkbox"/>	Annual Return (filed with the past 12 months) <input type="checkbox"/>	VAT Clearance (if VAT registered) <input type="checkbox"/>	
Continuance of Incorporation <input type="checkbox"/>	Other Documents of Formation/Registration <input type="checkbox"/>			
	Details: _____			
Company Type: Co-operative <input type="checkbox"/> Partnership <input type="checkbox"/> Sole Trader <input type="checkbox"/> Company <input type="checkbox"/>				
Asset Size: \$ _____		Annual Income: \$ _____		
<b>C. DIRECTORS/ PRINCIPALS/ EXECUTIVE MANAGEMENT OR SHAREHOLDERS' HOLDINGS &gt;10% PAID UP SHARE CAPITAL</b>				
Name and residential address	Capacity	DP#/ID#/PP# (attach copy)	Expiry Date dd/mm/yy	Country of Issue



**IRS Form 8300** (Rev. August 2014) **Report of Cash Payments Over \$10,000 Received in a Trade or Business** **FinCEN Form 8300** (Rev. August 2014)

OMB No. 1558-0018  
Department of the Treasury  
Internal Revenue Service

Use this form for transactions occurring after August 12, 2014. Do not use prior versions after this date. See instructions for definition of cash. For Privacy Act and Paperwork Reduction Act Notice, see the last page.

1 Check appropriate box(es) if: a  Amends prior report; b  Suspicious transaction.

**Part I Identify Individual From Whom the Cash Was Received**

2 If more than one individual is involved, check here and see instructions

3 Last name 4 First name 5 M.I. 6 Taxpayer identification number

7 Address (number, street, and apt. or suite no.) 8 Date of birth (see instructions) M M D D Y Y Y Y

9 City 10 State 11 ZIP code 12 Country (if not U.S.) 13 Occupation, profession, or business

14 Identifying document (ID) a Describe ID c Number b Issued by

**Part II Person on Whose Behalf This Transaction Was Conducted**

15 If this transaction was conducted on behalf of more than one person, check here and see instructions

16 Individual's last name or organization's name 17 First name 18 M.I. 19 Taxpayer identification number

20 Doing business as (DBA) name (see instructions) Employer identification number

21 Address (number, street, and apt. or suite no.) 22 Occupation, profession, or business

23 City 24 State 25 ZIP code 26 Country (if not U.S.)

27 Alien identification (ID) a Describe ID c Number b Issued by

**Part III Description of Transaction and Method of Payment**

28 Date cash received M M D D Y Y Y Y 29 Total cash received \$ 30 If cash was received in more than one payment, check here  31 Total price if different from item 29 \$

32 Amount of cash received (in U.S. dollar equivalent) (must equal item 29 (see instructions):  
 a U.S. currency \$ (Amount in \$100 bills or higher \$ .00)  
 b Foreign currency \$ (Country )  
 c Cashier's check(s) \$ (Issuer's name(s) and serial number(s) of the monetary instrument(s) )  
 d Money order(s) \$  
 e Bank draft(s) \$  
 f Traveler's check(s) \$

33 Type of transaction  
 a  Personal property purchased f  Debt obligations paid  
 b  Real property purchased g  Exchange of cash  
 c  Personal services provided h  Escrow or trust funds  
 d  Business services provided i  Bail received by court clerk  
 e  Intangible property purchased j  Other (specify in item 34 )

34 Specific description of property or service shown in 33. Give serial or registration number, address, doc number, etc. ▶

**Part IV Business That Received Cash**

35 Name of business that received cash 36 Employer identification number

37 Address (number, street, and apt. or suite no.) 38 Social security number

39 City 39 State 40 ZIP code 41 Nature of your business

42 Under penalties of perjury, I declare that to the best of my knowledge the information I have furnished above is true, correct and complete.

Signature Authorized official Title

43 Date of signature M M D D Y Y Y Y 44 Type or print name of contact person 45 Contact telephone number

IRS Form 8300 (Rev. 8-2014) Cat. No. 021335 FinCEN Form 8300 (Rev. 8-1)

**IRS Form 8300** (Rev. 8-2014) **Page 2** **FinCEN Form 8300** (Rev. 8-2014)

**Multiple Parties**  
(Complete applicable parts below if box 2 or 15 on page 1 is checked.)

**Part I Continued—Complete if box 2 on page 1 is checked**

3 Last name 4 First name 5 M.I. 6 Taxpayer identification number

7 Address (number, street, and apt. or suite no.) 8 Date of birth (see instructions) M M D D Y Y Y Y

9 City 10 State 11 ZIP code 12 Country (if not U.S.) 13 Occupation, profession, or business

14 Identifying document (ID) a Describe ID c Number b Issued by

**Part II Continued—Complete if box 15 on page 1 is checked**

16 Individual's last name or organization's name 17 First name 18 M.I. 19 Taxpayer identification number

20 Doing business as (DBA) name (see instructions) Employer identification number

21 Address (number, street, and apt. or suite no.) 22 Occupation, profession, or business

23 City 24 State 25 ZIP code 26 Country (if not U.S.)

27 Alien identification (ID) a Describe ID c Number b Issued by

16 Individual's last name or organization's name 17 First name 18 M.I. 19 Taxpayer identification number

20 Doing business as (DBA) name (see instructions) Employer identification number

21 Address (number, street, and apt. or suite no.) 22 Occupation, profession, or business

23 City 24 State 25 ZIP code 26 Country (if not U.S.)

27 Alien identification (ID) a Describe ID c Number b Issued by

Comments - Please use the lines provided below to comment on or clarify any information you entered on any line in Parts I, II, III, and IV

IRS Form 8300 (Rev. 8-2014) FinCEN Form 8300 (Rev. 8-2014)

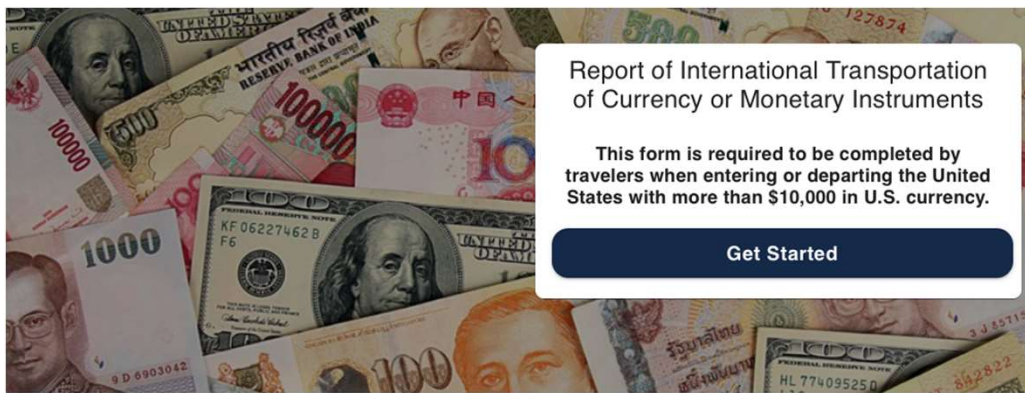
## Who must file.

Each person engaged in a trade or business who, in the course of that trade or business, receives more than \$10,000 in cash in one transaction or in two or more related transactions,

**Exceptions.** A cashier's check, money order, bank draft, or traveler's check is not considered received in a designated reporting transaction if it constitutes the proceeds of a bank loan or if it is received as a payment on certain promissory notes, installment sales contracts, or down payment plans.



# Currency or Monetary Instruments



**Report of International Transportation of Currency or Monetary Instruments**

This form is required to be completed by travelers when entering or departing the United States with more than \$10,000 in U.S. currency.

[Get Started](#)

**Steps for Filling out Form**

- 1 Get Started
- 2 Personal Information
- 3 Origin and Destination
- 4 Monetary Instruments
- 5 Review and Sign

- 1 [Get Started](#)
- 2 [Personal Information](#)
- 3 [Import and Export](#)
- 4 [Monetary Instruments](#)
- 5 [Review and Sign](#)

**Get Started**

Are you transporting currency or monetary instruments for personal or business purposes?

[PERSONAL](#) [BUSINESS](#)

[Personal Information](#)

[Import/Export Information](#)

[Monetary Instrument Information](#)

[Review and Signature](#)



# GTO Example



Financial Crimes Enforcement Network  
U.S. Department of the Treasury

Washington, D.C. 20220

## GEOGRAPHIC TARGETING ORDER

The Director of the Financial Crimes Enforcement Network (“FinCEN”) hereby issues a Geographic Targeting Order (“Order”) requiring TITLE INSURANCE COMPANY to collect and report information about the persons involved in certain residential real estate transactions, as further described in this Order.

### I. AUTHORITY

The Director of FinCEN may issue an order that imposes certain additional recordkeeping and reporting requirements on one or more domestic financial institutions or nonfinancial trades or businesses in a geographic area. *See* 31 U.S.C. § 5326(a); 31 C.F.R. § 1010.370; and Treasury Order 180-01. Pursuant to this authority, the Director of FinCEN hereby finds that reasonable grounds exist for concluding that the additional recordkeeping and reporting requirements described below are necessary to carry out the purposes of the Bank Secrecy Act (“BSA”) or prevent evasions thereof.<sup>1</sup>

- Title Insurance Company and any of its subsidiaries and agents.
- \$300,000 purchase price
- Made without a bank loan or other similar form of external financing; and
- Made, at least in part, using currency or a cashier’s check, a certified check, a traveler’s check, a personal check, a business check, a money order in any form, a funds transfer, or virtual currency.
- Specific areas around the country





# Who Files SARs?

**FinCEN Form 109**  
 SUSPICIOUS ACTIVITY REPORT BY  
**Money Services Business**

1  Check this box only if amending or correcting a prior report (see Item 1 instructions) 1a  Check this box if this is a recurring report

**Part I Subject Information** 2  Multiple subjects (see item instructions)

3 Subject type (check only one box)  Purchasemaker  Payee/beneficiary  Both a & b  Other

\*4 Individual's last name or entity's full name \*5 First name \*6 Middle/initial

\*7 Address

\*8 City \*9 State \*10 Zip Code \*11 Country Code (if not US)

\*12 Government issued identification (if available)  
 Driver's license/passport I.D.  Passport  Alien registration  Other  
 Student \*13 Issuing state/country

\*13 SSN/ITIN (individual or EIN only) \*14 Date of birth \*15 Telephone number

**Part II Suspicious Activity Information**

\*16 Date or date range of suspicious activity \*17 Total amount involved in suspicious activity  Amount unknown

\*18 Category of suspicious activity (check all that apply)  
 Money laundering  Structuring  Terrorist financing  Other identify

\*19 Financial services involved in the suspicious activity and character of the suspicious activity (including unusual use (check all that apply))  
 Money order  Traveler's check  Money transfer  Currency exchange  
 Other

Check all of the following that apply

(1)  Alters transaction to avoid completing bank transfer record (2)  Individual(s) using multiple or false identification documents or money order or traveler's check record (\$2,000 or more) (3)  Two or more individuals using the same/alternate identification (4)  Alters transaction to avoid filing CTR form (more than \$10,000) (5)  Two or more individuals working together (6)  Comes in frequently and purchases less than \$2,000 (7)  Same individual(s) using multiple banks over a short time period (8)  Offers a bribe in the form of a tip/gratuity (9)  Exchanges small bills for large bills or vice versa

If mailing, send with completed MSB report to: Regulatory Compliance Center - Detroit, MI 48248  
 P.O. Box 313117  
 Detroit, MI 48232-0117

A free online e-filing system is available to file this report. Go to <http://eefiling.finccen.gov> for more information and to register.

Calling No. 800433 (Rev. 3/11)

Financial Crimes Enforcement Network (FinCEN)

**FinCEN Suspicious Activity Report (FinCEN SAR) Electronic Filing Requirements**

XML Schema 2.0

**User Guide**

Casino/Card Club

Depository Institution

Housing Government Sponsored Enterprise (GSE)

Insurance Company

Loan or Finance Company

Money Services Business (MSB)

Other

Securities/Futures



# 314(a) Blast:

## 95% have contributed to arrests or indictments

- Federal, state, local, and foreign (European Union) law enforcement agencies
- Ability to canvas the nation's financial institutions for potential lead information that might otherwise never be uncovered
- Provides lead information only – still need subpoena or other
- **Process: Must submit a form certifying that the investigation is based on credible evidence of terrorist financing or money laundering**
  - Documentation must show the magnitude or impact of the case
  - Seriousness of the underlying criminal activity
  - The importance of the case to a major agency program
  - Any other facts demonstrating its significance




# Identifies/Reports Account Holders

# Personal IRS Form 8938


## CRS

Common Reporting Standard



Aims to identify the tax residency of **each and every** one of its account holders


Tax information is required for **ALL** account holders and is sent to **ALL** complying countries



v s


## FATCA

Foreign Account Tax Compliance Act



Aims to identify whether an account holder is a **U.S. person** using citizenship and tax residency

Tax information is collected for **U.S.** account holders and resides in the **U.S.**



OMB No. 1545-2195  
**2020**  
Attachment Sequence No. 998

**Form 8938** Statement of Specified Foreign Financial Assets  
 Department of the Treasury Internal Revenue Service  
 Go to [www.irs.gov/Form8938](http://www.irs.gov/Form8938) for instructions and the latest information.  
 Attach to your tax return.  
 For calendar year 2020 or tax year beginning 2020, and ending 2020

If you have attached continuation statements, check here  Number of continuation statements \_\_\_\_\_

1 Name(s) shown on return \_\_\_\_\_ 2 Taxpayer identification number (TIN) \_\_\_\_\_

3 Type of filer  
 a  Specified individual b  Partnership c  Corporation d  Trust

4 If you checked box 3a, skip this line 4. If you checked box 3b or 3c, enter the name and TIN of the specified individual who closely holds the partnership or corporation. If you checked box 3d, enter the name and TIN of the specified person who is a current beneficiary of the trust. (See instructions for definitions and what to do if you have more than one specified individual or specified person to list.)  
 a Name \_\_\_\_\_ b TIN \_\_\_\_\_

**Part I Foreign Deposit and Custodial Accounts Summary**

1	Number of deposit accounts (reported in Part V)	▶	
2	Maximum value of all deposit accounts		\$
3	Number of custodial accounts (reported in Part V)	▶	
4	Maximum value of all custodial accounts		\$
5	Were any foreign deposit or custodial accounts closed during the tax year?		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part II Other Foreign Assets Summary**

1	Number of foreign assets (reported in Part V)	▶	
2	Maximum value of all assets (reported in Part V)		\$
3	Were any foreign assets acquired or sold during the tax year?		<input type="checkbox"/> Yes <input type="checkbox"/> No

**Part III Summary of Tax Items Attributable to Specified Foreign Financial Assets** (see instructions)

(a) Asset category	(b) Tax item	(c) Amount reported on form or schedule	Where reported	
			(d) Form and line	(e) Schedule and line
1 Foreign deposit and custodial accounts	a Interest	\$		
	b Dividends	\$		
	c Royalties	\$		
	d Other income	\$		
	e Gains (losses)	\$		
	f Deductions	\$		
	g Credits	\$		
2 Other foreign assets	a Interest	\$		
	b Dividends	\$		
	c Royalties	\$		
	d Other income	\$		
	e Gains (losses)	\$		
	f Deductions	\$		
	g Credits	\$		

**Part IV Excepted Specified Foreign Financial Assets** (see instructions)  
 If you reported specified foreign financial assets on one or more of the following forms, enter the number of such forms filed. You do not need to include these assets on Form 8938 for the tax year.

1. Number of Forms 3520 \_\_\_\_\_ 2. Number of Forms 3520-A \_\_\_\_\_ 3. Number of Forms 5471 \_\_\_\_\_  
 4. Number of Forms 8621 \_\_\_\_\_ 5. Number of Forms 8865 \_\_\_\_\_

**Part V Detailed Information for Each Foreign Deposit and Custodial Account Included in the Part I Summary**  
 (See instructions.)



# Antimoney Laundering Act of 2020



# Anti-Money Laundering Act of 2020: Purpose

1. Require certain reports or records for
  - A. Criminal, tax, or regulatory investigations, risk assessments or proceedings
  - B. Intelligence or counterintelligence activities to protect against terrorism
  - C. Domestic terrorism added
2. Establishment of reasonably designed risk-based programs
3. Improve tracking of money sourced through criminal activity or intended to promote criminal or terror activity
4. Assess the money laundering, terrorism finance, tax evasion, and fraud risks to financial institution to protect the financial system from criminal abuse and safeguard the national security
5. Establish an appropriate framework for information sharing among financial institutions and others



# The National Priorities? – No Surprise

- Corruption
- Cybercrime
- Cybersecurity
- Virtual currency
- Foreign terror finance
- Domestic terror finance
- Fraud
- Transnational criminal organizations
- Drug trafficking organizations
- Human trafficking
- Human smuggling
- Proliferation financing

*Aligns to the Money Laundering Strategy Report  
What about other financial crime activity?*



# Anti-money Laundering Act of 2020 (AMLA)

- Significant enhancement to obtain information from a foreign entity
- Agencies can subpoena records from foreign entities if that entity merely maintains a correspondent bank account in the US
- **Records from any bank account** of that entity at that foreign institution can be subpoenaed
  - Including records that are kept outside of the US
  - Not merely for the records that relate to the correspondent account
  - Need to relate to certain types of investigations
- **Subpoenas can be for any criminal investigation**, not just money laundering or civil forfeiture
  - Must be potential violations of BSA or any US criminal law or civil forfeiture



# 2020 AMLA Prohibitions and Penalties

Foreign bank may petition to modify or quash subpoena and prohibition on disclosure

- However, “assertion that compliance with a subpoena” would conflict with foreign bank secrecy or confidentiality law cannot form the “sole basis” for modifying or quashing
- Still to be worked out if a conflict between the subpoena and foreign law is sufficient

Violators are subject to steep penalties up to double the amount of “suspected criminal proceeds sent through the correspondent account or, if no suspected criminal proceeds can be identified, up to \$250,000.”





# 2020 AMLA Prohibitions and Penalties

- The AMLA provides that a non-U.S. bank that does not comply with a subpoena may be liable for a civil penalty of up to **\$50,000 per day** of noncompliance, with additional penalties if noncompliance continues beyond 60 days.
- In addition, noncompliance may result in the DOJ or Treasury **terminating the correspondent banking relationship** by written notice to the U.S. bank providing the correspondent banking services.



# Beneficial Ownership



# Corporate Transparency Act



Beneficial Ownership, defined:

(A) . . . with respect to an entity, **an individual** who, directly or indirectly, through any contract, arrangement, understanding, relationship, or otherwise:

- (i) exercises substantial control over the entity; **or**
- (ii) owns or controls not less than 25% of the ownership interests of the entity

States will begin to collect this information as provided by submitter

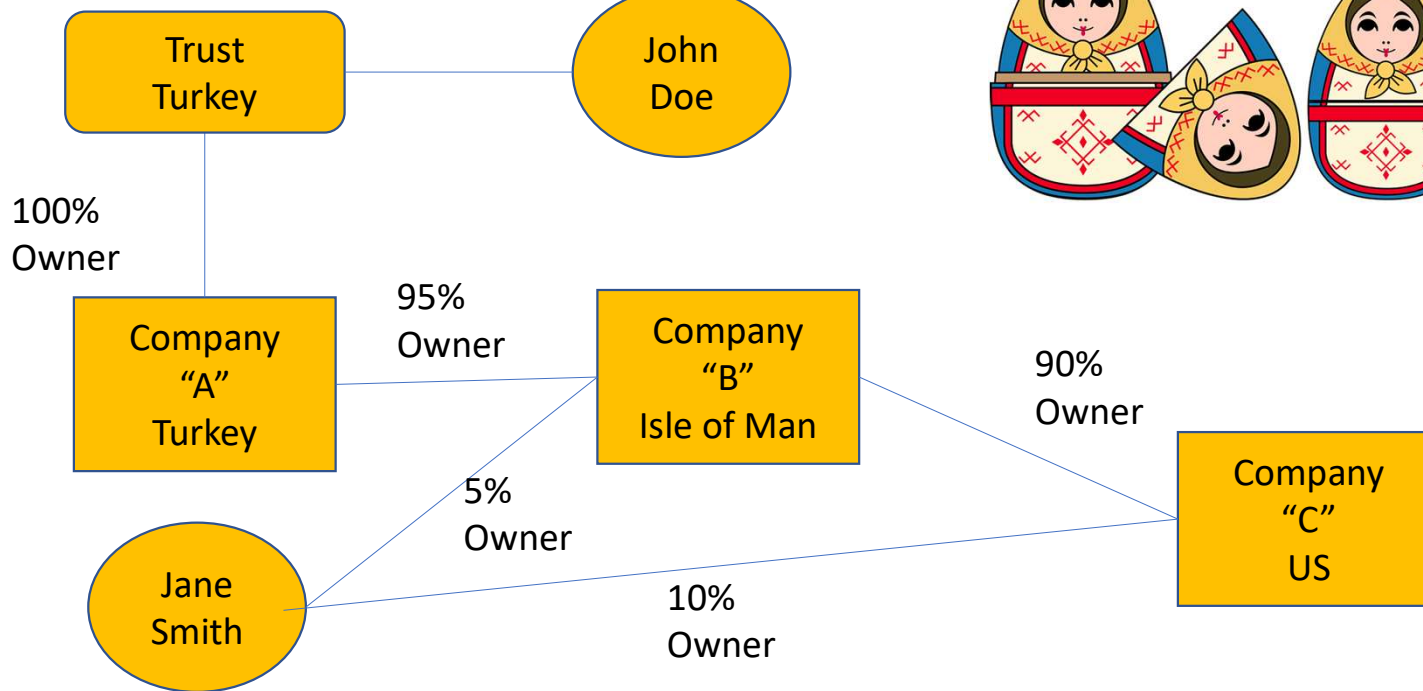
No expectation of verification by states

Goal: Ban anonymous shells in the US



# Hidden Beneficiary Owner Scenario

How much ownership does John Doe own in Company "C" ?



# Beneficial Owner Database

- Centralized database maintained by FinCEN
- There are some “loopholes”
- Individual providing beneficial ownership identified and certifies
- There are no verification requirements
- Status at time of registration – Updating not addressed
- Creation of a FinCEN identifier in system to replace SSN, Driver’s License, or Passport Number
- Input by states’ secretaries of state responsible for incorporation, tribal authorities
- Law enforcement access (state/local requires a court order)
- No or very limited public access (some financial institutions)



# Beneficial Owner Information

- Full name
- Date of birth
- Address
- Either SSN, passport number, or driver's license number
- Or a "FinCEN Identifier"
- Exempt entities
  - Only list the name of the exempt entity



# Corporate Transparency Act “Loopholes”

- Wall Street investment vehicles do not have to report
  - Hedge funds, private equity firms
  - Other types of pooled investment vehicles
- Big business is exempt
  - More than \$5 million in annual revenue
  - More than 20 employees
  - Physical address in the US
- Trusts
  - A contract dictating how wealth in the trust will be allocated
  - Certain types of charitable and semi-charitable trusts specifically exempted
- Art dealers are not included at this time



# Beneficial Ownership Disclosures

- “(A) federal agency engaged in national security, intelligence, or law enforcement activity, for use in furtherance of such activity”
- “Upon receipt of a request from a State, Tribal or local law enforcement **with a court order**”
- “Request from a federal agency on behalf of a **foreign government** pursuant to a treaty, mutual legal assistance treaty...”
- Upon receipt “a request made by a **financial institution subject to customer due diligence requirements**, with the consent of the reporting company, to facilitate the compliance of the financial institution with customer due diligence requirements under applicable law”
- Upon receipt of a request from a Federal functional regulator





# Changes in SAR reporting



- Notification prohibition strengthened – cannot provide ANY information that would reveal a transaction has been reported
- Covered institution to establish streamlined processes to submit the noncomplex categories of SARs
  - Consider priorities established under the BSA
- One year pilot of sharing SAR related information with foreign branches and affiliates



# FinCEN



# FinCEN: Current Duties

1. Advise & make recommendations to the Undersecretary of the Treasury
2. Maintain a government-wide database of BSA reports
3. Analyze and disseminate intel from that database
4. Maintain a communication center for law enforcement
5. Furnish research, analytical and informational services to the public and private
6. Assist law enforcement and regulators in combatting illegal information transfer systems
7. Support the tracking of foreign agents
8. Coordinate with foreign financial intelligence units
9. Administer the requirements of the BSA



# Changes to FinCEN: New Duties



1. Promulgate regulations to implement the exam and supervision priorities of BSA/AML programs
2. Communicate regularly with the private sector, regulators, and law enforcement about the government's AML/CFT exam and supervision priorities
3. Give and receive feedback to and from the private sector and state bank and credit union supervisors
4. Maintain money laundering and terrorist financing experts to support federal, civil and criminal investigations
5. Maintain emerging technology experts



# Core Banking



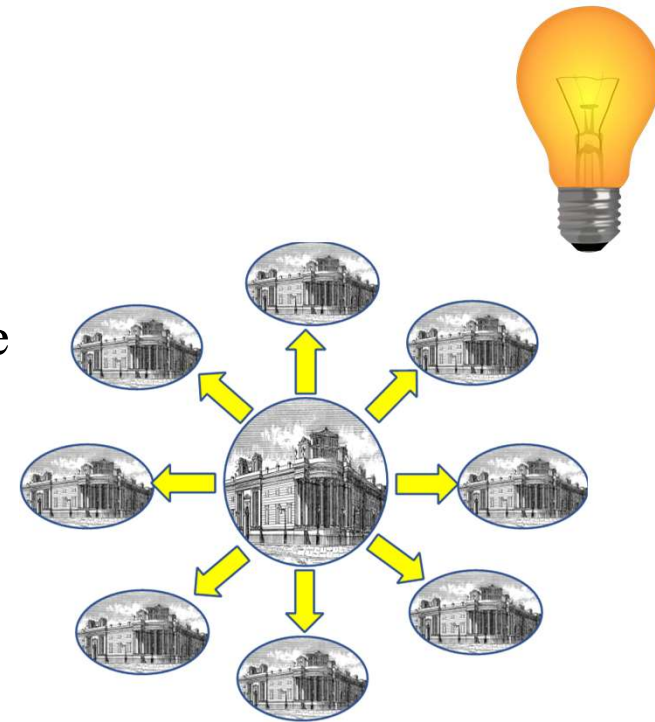
# Core Banking

## What is Core Banking?

Banking services by a group of networked bank branches where a customer may access their bank account and perform basic transactions from any of the member branch offices

## Core banking services associated with Retail Banking

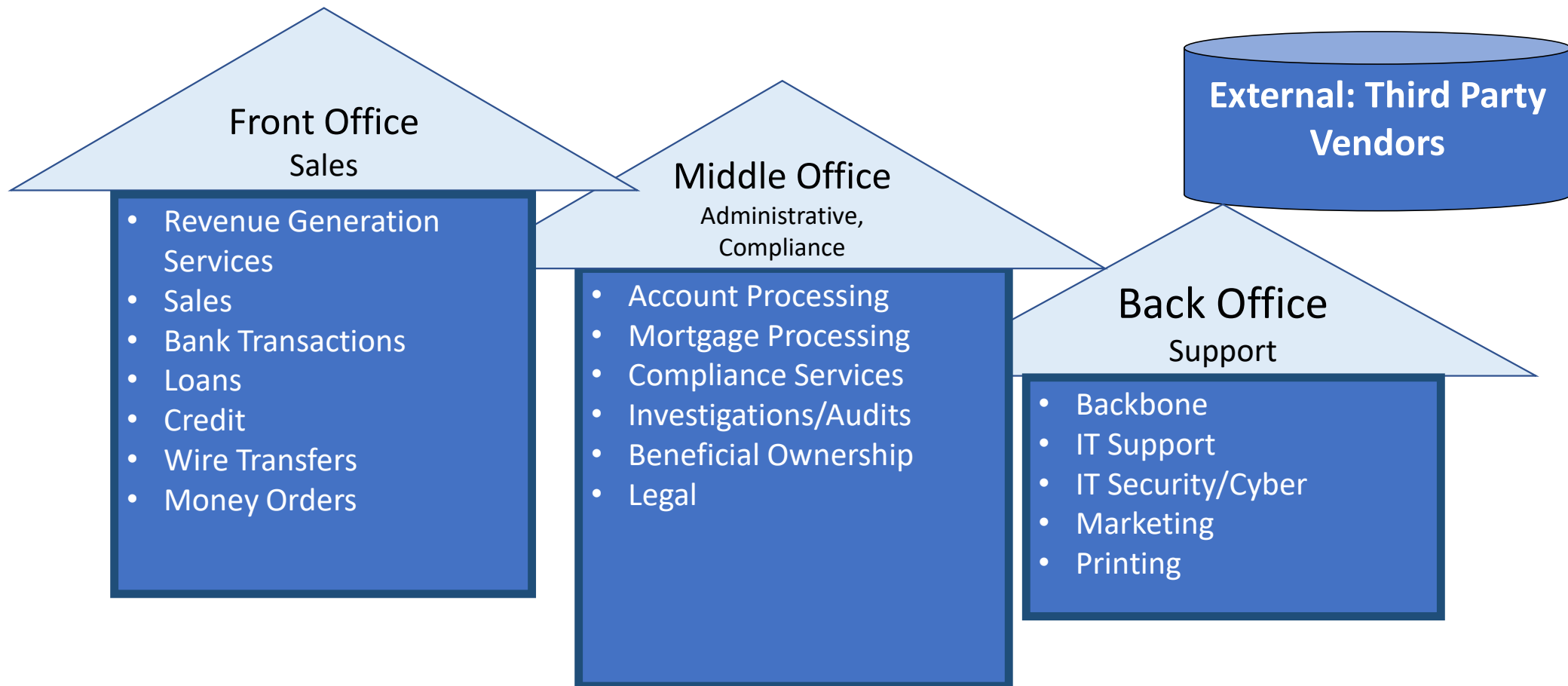
- Transaction Accounts
- Loans
- Mortgages, Payments
- ATMs, Internet Banking



Available Data Types:  
Static - Personal information  
Dynamic - Transactions



# Where is the Information? Typical Bank Structure



# Travel Rule

All financial institutions are required to pass on certain information to the next financial institution, in certain funds transmittals involving more than one financial institution

## Transmitter Side

- ✓ Name, address
- ✓ Account number if used
- ✓ Identity of financial institution
- ✓ Amount transmitted
- ✓ Execution date
- ✓ Identity of recipient's financial institution

## Recipient Side

- ✓ Name, address
- ✓ Account number
- ✓ Any other specific identifier

## Intermediary Bank:

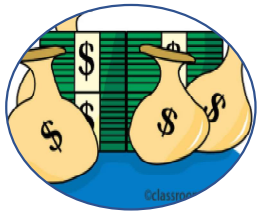
- ✓ Required to pass on all information from Transmitter Bank
- ✓ Or proceeding intermediary

**Exception - If Transmitter and Recipient are the same Financial Institution**





# Offshore Banking



## Offshore Banks



Cayman Islands  
Israel  
Switzerland  
New York  
London  
United States



# Wealth Management and PEPs



# Private Banking

Wealth management

Account/assets at least \$1,000,000

Assigned to a bank employee

non-US Person (PATRIOT Act, S312)

One-on-one confidential service

High net worth Individuals

Politically exposed persons

Oligarchs/kleptocrats

# WEALTH



## Enhanced Due Diligence



# Politically Exposed Person (PEP)



- Current or former senior official of a foreign or domestic government or of a major foreign political party
- Current or former senior executive of:
  - a foreign or domestic government-owned commercial enterprise
  - a corporation, business, or other entity that has been formed by, or for the benefit of, any such individual
- The immediate family members of any such individual
- Widely and publicly, or actually, known close associates of any such individual



# What PEP Data is Collected in a Bank?

- Employment
- Sources of income
- Information direct from the PEP
- Reference checks
- Research prepared on the PEP
- Transaction monitoring
- Beneficial ownership relationships
  - Deposit brokers (signed contracts)
  - Offshore customers
  - Foreign shell banks



- FedWIRE
- ACH
- SWIFT



# Questions?

**Loughnane Associates LLC**  
*Value Touches Everything*



**Huxley Orion**

