

Banking and Finance Law Daily Wrap Up, BANK SECRECY ACT–Agricultural Bank of China required to address BSA/AML deficiencies,(Sep. 29, 2016)

By [John M. Pachkowski, J.D.](#)

The Agricultural Bank of China, Beijing, People’ s Republic of China (Bank), and the Agricultural Bank of China New York Branch (Branch) have entered into a cease and desist order with the Federal Reserve Board to address significant deficiencies in the Branch’ s risk management and compliance with applicable federal and state laws, rules, and regulations relating to anti-money laundering compliance, including the Bank Secrecy Act. The BSA/AML deficiencies were discovered by the most recent examination of the Branch conducted by the Federal Reserve Bank of New York.

Among other things, the [cease and desist order](#) requires the Bank and the Branch to:

- jointly submit a written plan to enhance oversight, by the management of the Bank and Branch, of the Branch’ s compliance with the BSA/AML requirements and the regulations issued by the Office of Foreign Assets Control;
- submit a written revised BSA/AML compliance program for the Branch and submit a written revised customer due diligence that are acceptable to the New York Fed;
- submit a written program reasonably designed to ensure the timely, accurate, and complete filing of Suspicious Activity Reports;
- engage an independent third party acceptable to the New York Fed to conduct a review of the Branch’ s U.S. dollar clearing transaction activity from Oct.1, 2014, to March 31, 2015, to determine whether suspicious activity, involving high risk customers or transactions, was properly identified and reported in accordance with applicable suspicious activity reporting regulations; and
- submit a written plan to enhance the Bank’ s compliance with the OFAC regulations acceptable to the New York Fed.

Companies: Agricultural Bank of China; Agricultural Bank of China New York Branch

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