

[Banking and Finance Law Daily Wrap Up, BANK SECRECY ACT—Agencies clarify BSA/AML enforcement provisions, \(Aug. 14, 2020\)](#)

Banking and Finance Law Daily Wrap Up

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A joint statement clarifies enforcement of the Bank Secrecy Act and does not create new expectations or standards.

The federal financial regulatory agencies released a [joint statement](#) to clarify how the agencies apply the enforcement provisions of the Bank Secrecy Act (BSA) and related anti-money laundering (AML) laws and regulations. The joint statement does not create new expectations or standards. The statement was issued by the Federal Deposit Insurance Corporation ([FIL-76-2020](#)), Federal Reserve Board ([SR 20-19](#)), Office of the Comptroller of the Currency ([OCC 2020-75](#)), and National Credit Union Administration.

The joint statement supersedes the Interagency Statement on Enforcement of BSA/AML Requirements issued by the agencies in July 2007 and is intended to set forth general policy guidance. It does not create new expectations or standards, but describes circumstances in which an agency will issue a mandatory cease and desist order under section 8(s) of the Federal Deposit Insurance Act to address noncompliance with BSA/AML requirements.

The joint statement addresses:

- when an agency will issue a mandatory cease-and-desist under Section 8(s) of the Federal Deposit Insurance Act, which generally requires each federal banking agency to issue an order to cease and desist when a supervised institution fails to establish and maintain a BSA/AML compliance program with the four required components (known as pillars);
- when an agency may use its discretion to issue formal or informal enforcement actions or use other supervisory actions to address BSA-related violations, such as violations related to suspicious activity reporting and other reporting or record-keeping requirements;
- how the agencies incorporate customer due diligence regulations and other BSA/AML reporting and record-keeping requirements as part of the internal controls pillar of the bank's BSA/AML compliance program;
- how the agencies evaluate individual component violations or BSA-related unsafe or unsound practices that do not rise to the level of a BSA/AML compliance program failure; and
- how the agencies evaluate less serious issues or isolated or technical violations or deficiencies as generally outside of the scope of Section 8(s).

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