



**BOARD OF GOVERNORS**  
OF THE  
**FEDERAL RESERVE SYSTEM**

WASHINGTON, D.C. 20551

DIVISION OF BANKING  
SUPERVISION AND REGULATION

**SR 09-09**

**December 18, 2009**

**TO THE OFFICER IN CHARGE OF SUPERVISION  
AT EACH FEDERAL RESERVE BANK**

**SUBJECT:** Interagency Guidance on Transparency and Compliance in Cross-Border Funds Transfers

The Federal Reserve, together with the Federal Deposit Insurance Corporation, Office of the Comptroller of the Currency, Office of Thrift Supervision, and National Credit Union Administration, has issued the attached interagency guidance on “Transparency and Compliance for U.S. Banking Organizations Conducting Cross-Border Funds Transfers.” The interagency guidance references the attached paper, issued by the Basel Committee on Banking Supervision in May 2009, entitled *Due diligence and transparency regarding cover payment messages related to cross-border wire transfers* (available at [www.bis.org](http://www.bis.org)).

The interagency guidance clarifies the U.S. federal banking supervisors’ perspective on certain points in the Basel Committee paper, including expectations for intermediary banks on Office of Foreign Assets Control sanctions screening and transaction monitoring to comply with Bank Secrecy Act/anti-money laundering requirements. In addition, it discusses the banking supervisors’ approach to reviewing institutions’ risk management practices with respect to cross-border funds transfers, including cover payments.

Reserve Banks are asked to distribute this SR letter to all state member banks, bank holding companies, and foreign banking organizations as well as to their own supervisory and examination staff. Questions regarding this letter may be directed to Nina Nichols, Assistant Director, at (202) 452-2961; or Suzanne Williams, Manager, BSA/AML Risk, at (202) 452-3513.

Patrick M. Parkinson  
Director

Attachments:

- [Interagency guidance on “Transparency and Compliance for U.S. Banking Organizations Conducting Cross-Border Funds Transfers”](#)
- [\*Due diligence and transparency regarding cover payment messages related to cross-border wire transfers\*](#), Basel Committee on Banking Supervision