



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

WASHINGTON, D.C. 20551

DIVISION OF SUPERVISION  
AND REGULATION

**SR 23-6**

**August 2, 2023**

**TO THE OFFICER IN CHARGE OF SUPERVISION AND APPROPRIATE  
SUPERVISORY AND EXAMINATION STAFF AT EACH FEDERAL RESERVE BANK  
AND BANKING ORGANIZATIONS SUPERVISED BY THE FEDERAL RESERVE**

**SUBJECT: Release of Six Sections of the Federal Financial Institutions Examination  
Council's Bank Secrecy Act/Anti-Money Laundering Examination Manual**

**Applicability:** This letter is relevant to banking organizations supervised by the Federal Reserve that are subject to the Bank Secrecy Act.

Members of the Federal Financial Institutions Examination Council (FFIEC)<sup>1</sup> released six sections of the *Bank Secrecy Act/Anti-Money Laundering (BSA/AML) Examination Manual* (the Manual) including related examination procedures. The FFIEC drafted and revised the sections in close collaboration with the U.S. Treasury Department's Financial Crimes Enforcement Network (FinCEN). This letter pertains to sections related to BSA regulatory requirements for information sharing, due diligence for correspondent accounts and private banking accounts, prohibition on correspondent accounts for foreign shell banks, law enforcement access to foreign bank records, and provisions relating to the comprehensive Iran sanctions. The updates do not establish new requirements and should not be interpreted as increased focus on certain areas; instead, they offer further transparency into the examination process and support risk-focused examination work.

The Manual provides instructions to examiners for assessing the adequacy of a banking organization's BSA/AML compliance program, relative to its risk profile, and the banking organization's compliance with BSA regulatory requirements. The Manual continues to emphasize the member agencies' (the agencies) risk-focused approach to BSA/AML supervision and does not establish new requirements. The revisions are intended to clarify and reinforce distinctions between regulatory requirements and considerations set forth in guidance. Consistent with the *Joint Statement on the Risk-Based Approach to Assessing Customer Relationships and Conducting Customer Due Diligence*,<sup>2</sup> the sections were updated to emphasize that no customer

<sup>1</sup> Five of the six FFIEC member agencies develop and release the BSA/AML Examination Manual: the Federal Reserve Board (Federal Reserve), Federal Deposit Insurance Corporation (FDIC), National Credit Union Administration (NCUA), Office of the Comptroller of the Currency (OCC), and State Liaison Committee. The Consumer Financial Protection Bureau is also a voting member of the FFIEC.

<sup>2</sup> See [Joint Statement on the Risk-Based Approach to Assessing Customer Relationships and Conducting Customer Due Diligence](#) (July 6, 2022).

type presents a single level of uniform risk or a particular risk profile related to money laundering, terrorist financing, or other illicit financial activity.

The agencies reorganized some existing sections of the Manual to create new, individual sections based on specific regulations. Updates to the six sections included in this release are detailed below. There were no changes to the regulatory requirements covered by these sections.

### **Special Information Sharing Procedures to Deter Money Laundering and Terrorist Activity**

- Updated and retitled the previous *Information Sharing* section to align with the regulations at 31 CFR 1010.520 and 31 CFR 1010.540.

### **Due Diligence Programs for Correspondent Accounts for Foreign Financial Institutions**

- Updated and combined the previous *Foreign Correspondent Account Recordkeeping, Reporting and Due Diligence* and *Correspondent Accounts (Foreign)* sections and retitled to align with the regulation at 31 CFR 1010.610.

### **Due Diligence Programs for Private Banking Accounts**

- Updated and combined the previous *Private Banking Due Diligence Program (Non-US Persons)* and *Private Banking* sections and retitled to align with the regulation at 31 CFR 1010.620.

### **Prohibition on Correspondent Accounts for Foreign Shell Banks; Records Concerning Owners of Foreign Banks and Agents for Service of Legal Process**

- Created a new stand-alone section from the previous *Foreign Correspondent Account Recordkeeping, Reporting, and Due Diligence* section and titled it to align with the regulation at 31 CFR 1010.630.

### **Summons or Subpoena of Foreign Bank Records; Termination of Correspondent Relationship; Records Concerning Owners of Foreign Banks and Agents for Service of Legal Process**

- Created a new stand-alone section from the previous *Foreign Correspondent Account Recordkeeping, Reporting, and Due Diligence* section and titled it to align with the regulations at 31 CFR 1010.670 and 31 CFR 1010.630.

### **Reporting Obligations on Foreign Bank Relationships with Iranian-Linked Financial Institutions**

- Created a new stand-alone section from the previous *Foreign Correspondent Account Recordkeeping, Reporting, and Due Diligence* section and titled it to align with the regulation at 31 CFR 1060.300.

Revised sections of the Manual are attached and will be identified by a 2023 date on the FFIEC BSA/AML InfoBase<sup>3</sup> within *Assessing Compliance with BSA Regulatory Requirements* once it is updated. The agencies will continue to review and revise the Manual and release updates as they are completed. Previous updates include those from April 2020, February 2021, June 2021, and December 2021, which are catalogued on the FFIEC BSA/AML InfoBase under the “What’s New” page.

Reserve Banks are asked to distribute this letter to the supervised banking organizations in their districts and to appropriate supervisory staff. Questions regarding this letter may be sent via the Board’s public website.<sup>4</sup>

Michael S. Gibson  
Director  
Division of Supervision and Regulation

**Attachments:**

- FFIEC Announcement, *Updates to the FFIEC BSA/AML Examination Manual*
- *Special Information Sharing Procedures to Deter Money Laundering and Terrorist Activity*
- *Due Diligence Programs for Correspondent Accounts for Foreign Financial Institutions*
- *Due Diligence Programs for Private Banking Accounts*
- *Prohibition on Correspondent Accounts for Foreign Shell Banks; Records Concerning Owners of Foreign Banks and Agents for Service of Legal Process*
- *Summons or Subpoena of Foreign Bank Records; Termination of Correspondent Relationship; Records Concerning Owners of Foreign Banks and Agents for Service of Legal Process*
- *Reporting Obligations on Foreign Bank Relationships with Iranian-Linked Financial Institutions*

**Supersedes:**

- SR 21-18, “Release of New and Updated Sections of the Federal Financial Institutions Examination Council’s Bank Secrecy Act/Anti-Money Laundering Examination Manual”

**Cross-References:**

- SR 22-5, “Joint Statement on the Risk-Based Approach to Assessing Customer Relationships and Conducting Customer Due Diligence”

---

<sup>3</sup> See <https://bsaaml.ffiec.gov/>.

<sup>4</sup> See <http://www.federalreserve.gov/apps/contactus/feedback.aspx>.