BISWAJIT DUTTA

Proposal and Comment Information

Title: Anti-Money Laundering and Countering the Financing of Terrorism Programs, R-1835

Comment ID: FR-0000-0133-02-C11

Submitter Information

Name: Biswajit Dutta

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Federal Public Comment - Docket No. R-1835 (RIN 7100-AG78)
Board of Governors of the Federal Reserve System
Anti-Money Laundering and Countering the Financing of Terrorism Programs

July 14, 2026
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue N.W.
Washington, DC 20551
Re: Proposed Rule - Anti-Money Laundering and Countering the Financing of Terrorism Programs; Docket No. R-1835; RIN 7100-AG78
Dear Members of the Board:

I. Introduction

I am Biswajit Dutta, MBA, M.Com, CAMS, a Senior AML Investigator specializing in HREDD and correspondent banking risk at a federally supervised financial institution with significant correspondent banking relationships with U.S. banks. With fifteen years of AML compliance experience across CIBC, HSBC Bank Canada, and TD Bank, I submit this comment in support of the proposed rule and to offer practitioner-level recommendations on three areas critical to effective implementation.

II. Risk-Based Threshold Calibration for Transaction Monitoring

The proposed rule's emphasis on risk-based program design is strongly supported. In practice, however, existing guidance does not provide operational criteria for how transaction monitoring thresholds should be calibrated relative to a bank's specific customer and jurisdictional risk profile.

I have developed and applied a Dynamic Threshold Calibration Framework (DTCF) - a structured methodology for aligning alert generation parameters to segment-specific risk profiles rather than institution-wide defaults. Across two major institutions, this approach reduced false positive alert rates by 18% without reducing detection coverage, recovering approximately 2,400 investigator hours annually. Published research is available at DOI: https://doi.org/10.5281/zenodo.20189369.

The Board should require that risk assessments explicitly address threshold calibration as part of internal controls documentation. Authorizing examiners to evaluate calibration methodology - not merely alert volume or SAR filing rates - would operationalize the risk-based standard proposed in the rule.

III. Correspondent Banking EDD Governance

The proposal to focus resources on higher-risk customers directly implicates correspondent banking programs, which represent the highest residual risk category under FATF Recommendation 13. Supplemental guidance specifying EDD governance benchmarks for foreign correspondent institutions would strengthen the rule.

I have developed a Structured EDD Governance Protocol (SEGP) for correspondent banking reviews: a standardized framework for SWIFT traffic analysis, nested correspondent identification, and jurisdictional risk weighting across 15+ jurisdictions. This reduced EDD processing time by 30% while maintaining 100% audit-ready documentation through four supervisory examinations - metrics directly transferable to Fed examination standards for State member banks.

Regulatory guidance on correspondent EDD benchmarks - including SWIFT analysis scope, Wolfsberg CBDDQ integration, and QA scoring - would give examiners and institutions concrete criteria for evaluating program effectiveness.

IV. Investigative Documentation as an Effectiveness Metric

The proposed rule's shift to effectiveness-based supervision is the correct regulatory posture. However, for this standard to produce consistent outcomes, examiners require measurable proxies for program effectiveness. Investigative documentation quality is one such proxy and is currently underspecified in BSA/AML examination guidance.

I have developed an Investigative Documentation Architecture (IDA) - a structured framework for SAR/STR narrative consistency, case evidence organization, and audit-trail completeness - adopted as a documentation standard within a federal investigative agency and two major financial institutions.

Future examination guidance should specify minimum investigative documentation standards - including narrative completeness criteria and evidence chain requirements - as examiner-facing effectiveness proxies.

V. Conclusion

The proposed rule appropriately shifts the AML/CFT standard from mechanical BSA compliance to demonstrable effectiveness. To produce consistent outcomes, the Board should supplement the rule with guidance operationalizing three pillars: (1) threshold calibration standards for transaction monitoring; (2) EDD governance benchmarks for correspondent banking; and (3) investigative documentation quality standards as effectiveness proxies. I remain available to discuss these recommendations further.

Respectfully submitted,

Biswajit Dutta, MBA, M.Com, CAMS
Senior AML Investigator - HREDD & Correspondent Banking
Toronto, Ontario, Canada |
CAMS (2025) | Lean Six Sigma Black Belt | SAP Certified Professional

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Board of Governors of the Federal Reserve System

Anti-Money Laundering and Countering the Financing of Terrorism Programs

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III. Correspondent Banking EDD Governance

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Recommendation 13. Supplemental guidance specifying EDD governance benchmarks for foreign correspondent institutions would strengthen the rule.

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