



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

WASHINGTON, D.C. 20551

DIVISION OF SUPERVISION  
AND REGULATION

**SR 18-10**

**December 3, 2018**

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

**SUBJECT: Joint Statement on Innovative Efforts to Combat Money Laundering and  
Terrorist Financing**

**Applicability:** This guidance applies to all financial institutions supervised by the Federal Reserve that are subject to the Bank Secrecy Act.

The Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Financial Crimes Enforcement Network (FinCEN), the National Credit Union Administration, and the Office of the Comptroller of the Currency (collectively, the Agencies) are issuing the attached joint statement to encourage banks<sup>1</sup> to consider, evaluate, and, where appropriate, responsibly implement innovative approaches to meet their Bank Secrecy Act/anti-money laundering (BSA/AML) compliance obligations.

Private sector innovation, including new ways of using existing tools or adopting new technologies, offer the potential to enhance the efficiency and effectiveness of banks' BSA/AML compliance programs. To assist banks in this effort, the Agencies are committed to continued engagement with the private sector and other interested parties.

The joint statement does not alter existing BSA/AML legal or regulatory requirements, nor does it establish new supervisory expectations. The Agencies will not advocate a particular method or technology for banks to comply with BSA/AML requirements. Therefore, banks that maintain BSA/AML compliance programs commensurate with their risk profiles, but choose not to pursue innovative approaches will not be penalized or criticized by the Agencies issuing this statement.

---

<sup>1</sup> Under the Bank Secrecy Act, the term "bank" is defined in 31 CFR 1010.100(d) and includes each agent, agency, branch or office within the United States of banks, savings associations, credit unions, and foreign banks.

Federal Reserve Banks are asked to distribute this letter to the supervised institutions in their districts and to appropriate supervisory staff. Questions regarding this letter should be directed to the following individuals:

- Division of Supervision and Regulation: Koko Ives, Manager, BSA/AML Compliance Section, at (202) 973-6163 or Joshua Mazon, Senior Supervisory Financial Analyst, at (202) 452-2373; or
- Legal Division: Jason Gonzalez, Senior Special Council, at (202) 452-3275.

In addition, supervised organizations may send questions via the Board's public website.<sup>2</sup>

Arthur Lindo  
Deputy Director

**Attachment:**

- *Joint Statement on Innovative Efforts to Combat Money Laundering and Terrorist Financing*

---

<sup>2</sup> See, <http://www.federalreserve.gov/apps/contactus/feedback.aspx>