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*31 May 2014*

New and noteworthy developments in the regulatory landscape …

* **The Ongoing Year**

The Regulatory establishment nailed Credit Suisse for almost $3 billion for aiding and abetting tax evasion by US nationals; BNP Paribas faces potential fines of $10 billion for evading sanctions; Rhode Island moves against Santander Bank, NA for possible “redlining,” which cost the city of providence millions in lost revenue, stemming from run down, boarded up areas. The charges against Santander arise from the period just after Santander took over Sovereign Bank.

Avoid clashed with regulators … visit the *Consulting for Compliance* website and …

*Call Consulting for Compliance for assistance.*

* **OFAC**

OFAC made three changes during the second half of May. The changes incorporate the addition and modification to the SDN list of the names of persons and entities originating in Panama, Russia, Iran, El Salvador, Colombia, Ukraine, and Cabo Verde under the Narcotics Trafficking Kingpin, Iran, and Magnitsky programs. OFAC also announced the issuance of a new Iraq-related Executive Order.

<http://www.treas.gov/offices/enforcement/ofac/actions/index.shtml>

Remember to make sure that your interdiction lists are up-to-date, checked, and tested.

* **Board of Governors**

The Board released enforcement action and terminations of written agreements with US banks and bank holding companies for failures in capital adequacy and control and credit management. The Board announced that Credit Suisse will pay a $100 million penalty for unsafe and unsound practices and failure to comply with the federal banking laws governing its activities in the United States. The Board also announced that it has repealed Reg DD (Truth in Savings) and Rep P (Privacy of Consumer Financial Information), both ceded to the CFPB, and included amendments to Reg V (Identity theft Red Flags). Finally the Board announced the swearing in of Stanley Fischer to the Board.

<http://www.federalreserve.gov/whatsnew.htm>

<http://www.federalreserve.gov/newsevents/press/enforcement/20140519a.htm>

<http://www.federalreserve.gov/newsevents/press/bcreg/20140522a.htm>

<http://www.federalreserve.gov/newsevents/press/other/20140528a.htm>

* **Financial Crimes Enforcement Network (FinCEN)**

FinCEN issued two advisories to alert financial institutions that: (1) certain foreign individuals are abusing the Citizenship-by-Investment program sponsored by the Federation of St. Kitts and Nevis (SKN) to obtain SKN passports for the purpose of engaging in illicit financial activity; and (2) the use of funnel accounts and trade based money laundering by Mexico-related criminal organizations.

<http://www.fincen.gov/whatsnew.html>

* **Financial Action Task Force (FATF)**

FATF related an advisory of the Caribbean Financial Action Task Force (CFATF) concerning the lack of progress made by one of its member states, Guyana.

<http://www.fatf-gafi.org/documents/news/cfatf-may2014-public-statement.html>

**Department of Treasury**

Treasury issued a primer on sanctions from Adam Szubin, Director of OFAC.

<http://www.treasury.gov/connect/blog/Pages/Sanctions-101-Pt-1-.aspx>

* **Miscellaneous**

The NYS Department of Financial Services issued a consent order against Credit Suisse, in conjunction with the Fed and Department of Justice for aiding and abetting tax evasion by US Nationals.

<http://www.dfs.ny.gov/about/eagen.htm>

FINRA issued a new investor alert called [*High-Yield CDs: Red Flags That Signal a Scam*](http://www.finra.org/Investors/ProtectYourself/InvestorAlerts/FraudsAndScams/P514870) warning investors to be wary of promotions touting certificates of deposit (CDs) that promise interest rates that are substantially higher than current averages.

<http://www.finra.org/Newsroom/NewsReleases/2014/P515932>

The OCC issued a Notice of Proposed Rulemaking (NPRM) to integrate its rules for national banks and federal savings associations relating to policies and procedures for corporate activities and transactions (licensing rules). It also issued a final rule that combines certain rules that the OCC originally issued jointly with the other federal banking agencies regarding national banks with rules that the former Office of Thrift Supervision (OTS) issued regarding savings associations. The OCC announced significant changes intended to strengthen both the supervisory process and the examining force supervising the nation’s largest and most complex financial institutions, stemming from an international peer review. And it issued the “Collective Investment Funds” booklet of the *Comptroller’s Handbook.*

<http://www.occ.gov/news-issuances/bulletins/2014/bulletin-2014-22.html>

<http://www.occ.gov/news-issuances/bulletins/2014/bulletin-2014-23.html>

<http://www.occ.gov/news-issuances/news-releases/2014/nr-occ-2014-75.html>

<http://www.occ.gov/news-issuances/bulletins/2014/bulletin-2014-25.html>

* **Training Opportunities**

The Institute of International Bankers will host several events of interest to the international banking community.

[www.iib.org](http://www.iib.org)

The Securities Industry and Financial Markets Association (SIFMA) will hold AML-related and Dodd-Frank conferences.

[www.sifma.org](http://www.sifma.org)

The American Bankers Association will sponsor AML related seminars and webinars.

[www.aba.com](http://www.aba.com)

The Association of Certified Anti-Money Laundering Specialists (ACAMS) and Money Laundering.com will also sponsor several AML conferences of varying degrees of interest

[www.ACAMS.org](http://www.ACAMS.org/)

[www.moneylaundering.com](http://www.moneylaundering.com)

If you have any questions, or require more details on any of the above items, please call or email at your convenience.

Bill Schlameuss