

Anti-Money Laundering Act of 2020 and Corporate Transparency Act



Unless otherwise stated under “Key Provisions,” the sections became effective upon enactment on January 1, 2021.

Updated 1/21/21

SECTION	KEY PROVISIONS	RELEVANT DATES	AGENCY AND IMPLEMENTING REGULATIONS
6101— Establishment of National Exam and Supervision Priorities	Requires the Secretary of Treasury to establish examination and supervisory priorities, in consultation with the Attorney General, Federal functional regulators, relevant State financial regulators, and relevant national security agencies, for anti-money laundering (AML) and countering the financing of terrorism policy. These priorities must be updated at least once every four years. Exams will review whether credit unions have incorporated these priorities into their risk-based Bank Secrecy Act (BSA)/ AML programs.	No later than June 30, 2021, the initial priorities must be established. By December 27, 2021, FinCEN must promulgate implementing regulations in consultation with federal and state regulators.	Department of the Treasury, FinCEN

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6103— Establishment of the FinCEN Exchange	<p>Creates the FinCEN Exchange, which is designed to be an information sharing partnership between law enforcement, national security agencies, financial institutions, and FinCEN, to combat money laundering and terrorist financing and to promote national security. The Secretary of the Treasury is obligated to report about the Exchange no later than January 1, 2022, and once every two years for the next five years. FinCEN officially launched the FinCEN Exchange in 2017 but this section requires formal reports from the group and set information sharing requirements.</p> <p>Credit unions that receive information through the FinCEN Exchange can only use it to identify and report on activities involving the financing of terrorism, money laundering, proliferation financing, or other financial crimes.</p>	January 1, 2022	FinCEN
6107 - Establishment of FinCEN	Establishes Domestic Liaisons who are assigned to a specific region of the US and in coordination with the federal functional regulators will perform outreach to BSA officers at financial institutions. Domestic Liaisons are		FinCEN

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Domestic Liaisons	tasked with promoting coordination and consistency of FinCEN’s supervisory guidance.		
6110— Application of BSA to Antiquities and Arts Dealers	Extends BSA to cover antiquities and arts dealers. The Secretary of the Treasury, in consultation with other regulators including federal law enforcement, shall submit a report to Congress regarding a study about the facilitation of money laundering and terrorist financing through the art trade no later than December 27, 2021.	December 27, 2021	Department of the Treasury
6202— Additional Consideration for Suspicious Activity Report Requirements	Requires the Secretary of the Treasury to consider, among other things, the national BSA/AML priorities established under section 6101 of the act when imposing any suspicious activity report (SAR) reporting requirements. Also requires Treasury to consult with the Attorney General and Federal and State regulators when imposing these requirements.		Department of the Treasury, FinCEN

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	<p>The filing of SARs should be guided by a credit union’s BSA/AML compliance program, which accounts for the national priorities identified by Treasury.</p> <p>Requires the Secretary of the Treasury, through FinCEN and in consultation with Federal and State regulators, to establish easier and potentially automated processes to permit the filing of noncomplex SARs. In building an automated process, Treasury must consider things like structured transactions and transfers with little or no economic or business purpose, or any other transaction the Secretary determines appropriate for automation.</p>		
<p>6203—Law Enforcement Feedback on SARs</p>	<p>Requires FinCEN to</p> <ul style="list-style-type: none"> • periodically request feedback from BSA compliance officers to review SARs and discuss trends observed, • provide feedback to the applicable federal or state regulator during examination, and • periodically disclose to credit unions information about SARs that law enforcement found useful during the reporting period. 		

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6204— Streamlining Requirements for CTRs and SARs	<p>Requires the Secretary of the Treasury, after consulting with the Attorney General, Federal law enforcement, Federal and State regulators, and others, to review the currency transaction report (CTR) and SAR reporting requirements, including:</p> <ul style="list-style-type: none"> • Whether a credit union’s processes in deciding whether to file a continuous SAR should be streamlined or adjusted; • Whether there should be different thresholds for different types of activity; • Whether any changes should be made to the fields designated as critical on the CTR and SAR; • Which categories, types, and characteristics of SARs and CTRs are most useful to law enforcement and national security agencies; • Whether the process of electronic filing could be improved by permitting more automation; and • Other issues. 	No later than January 1, 2022	Department of the Treasury

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6205—CTR and SAR Thresholds Review	<p>Requires the Secretary of the Treasury, in consultation with law enforcement, various Federal regulators and State regulators, to review and determine whether CTR and SAR thresholds should be altered based on a consideration of:</p> <ul style="list-style-type: none"> • The effects of any potential changes on law enforcement, national security, and homeland security agencies; • The potential costs and benefits to credit unions and other financial institutions from any potential changes; • Whether CTR thresholds should be adjusted for inflation or any other factors; • Whether any potential changes would harmonize the US with other countries around the world; and • Any other matter deemed appropriate. <p>Requires the Secretary of the Treasury to perform this review, submit a report to Congress, and propose rulemakings, if necessary, no less than once every 5 years during the 10 years following enactment.</p>	No later than January 1, 2022	Department of the Treasury

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<p>6209—Testing Rulemaking</p>	<p>Requires the Secretary of the Treasury, in consultation with Federal regulators, to issue a rule prescribing the standards applicable to testing technology used by a credit union to comply with its BSA/AML requirements and a credit union’s technology internal processes.</p> <p>These standards may address:</p> <ul style="list-style-type: none"> • innovative approaches with machine learning and data analytics; • data privacy and information security; • how testing can be used to validate the results of the technology being used; and • the possibility of disclosure of system configurations to FinCEN and NCUA. <p>Requires the Federal Financial Institutions Examination Council (FFIEC) to update the BSA/AML Examination Manual to account for the rulemaking and to incorporate other relevant guidance from FinCEN and Federal regulators regarding innovation and BSA/AML compliance.</p>		<p>Department of the Treasury, FFIEC (update manual)</p>

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<p>6212—Pilot Program Regarding Sharing of SAR Information with Foreign Branches, Subsidiaries, and Affiliates</p>	<p>Requires the Secretary of the Treasury, in coordination with FinCEN, to issue rules establishing a pilot program designed to permit sharing of information related to SARS between credit unions and their foreign branches, subsidiaries, and affiliates, subject to certain limitations depending on the location of a foreign branch, subsidiary, or affiliate (e.g., China, Russia, a state sponsor of terrorism, subject to sanctions imposed by the United States, etc.).</p> <p>Requires the Secretary of the Treasury, or a designee, to submit to Congress an annual report regarding the implementation of the pilot program within 360 days after issuing the rulemaking and annually thereafter for three years.</p> <p>Calls for the termination of the pilot program “on the date that is three years after the date of enactment” unless the Secretary of the Treasury elects to extend for no more than two years by submitting a report to Congress that, among other things, certifies that extending the program is in the national interest of the United States.</p>	<p>No later than January 1, 2022</p>	<p>Department of the Treasury</p>

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6213—Sharing of Compliance Resources	Expressly permits credit unions to form collaborative arrangements, as described in the October 3, 2018 Interagency Statement on Sharing BSA Resources, to comply with BSA/AML requirements. Requires Secretary of the Treasury and supervisory agencies to implement outreach to provide information and best practices about these types of collaborative arrangements.		Department of the Treasury, NCUA
6350—Assessment of BSA No-Action Letters	The Director of FinCEN, in consultation with the Attorney General, the Federal functional regulators, State bank and credit union supervisors, must conduct an assessment on whether to establish a no-action letter (NAL) program. NALs will come from FinCEN concerning application of the BSA, PATRIOT Act, or other AML laws and whether FinCEN or a relevant regulator, including the NCUA, intends to take an enforcement action with respect to the conduct of the credit union.	No later than June 30, 2021, the agencies must submit a report specified committees in the House and Senate	FinCEN, NCUA

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6306—Safe Harbors for Cooperation with Law Enforcement	<p>Provides credit unions with a safe harbor for keeping an account or transaction open pursuant to a request from a Federal law enforcement agency, after notifying FinCEN of the intent to submit such a request, or a State, Tribal, or local law enforcement agency, with FinCEN’s concurrence, from liability and adverse supervisory action.</p> <p>Does not absolve the credit union from any BSA/AML reporting requirements that may be triggered and requires that the request include a termination date.</p>		

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<p>6308— Obtaining Foreign Bank Records from Credit Unions with United States Correspondent Accounts</p>	<p>Clarifies requirements related to the subpoena of records, production of records, issuance and service of a subpoena.</p> <p>Requires credit unions that main a correspondent account in the United States for a foreign bank to maintain records identifying the owners of record and the beneficial owners of the foreign bank and the name and address of a person who lives in the United States and is authorized to accept service of process for the foreign bank. The current statute does not require maintaining records that identify the beneficial owners of the foreign bank.</p> <p>Requires credit unions to respond to a written request for such information from a Federal law enforcement officer within seven days.</p> <p>Like the current law, requires credit unions to terminate correspondent relationships within 10 business days after receiving written notice from the Secretary of the Treasury or the Attorney General that the foreign bank has failed to comply with a subpoena for records or has failed to prevail in contesting the subpoena in Federal court.</p> <p>Increases the potential liability for failing to terminate the correspondent relationship as required from \$10,000 per day to \$25,000 per day.</p>		
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6309—Additional Damages for Repeat BSA Violators	<p>Creates additional civil penalties for repeat offenders for each additional violation in an amount that is not more than the greater of:</p> <ul style="list-style-type: none"> • Three times the profit gained or loss avoided as a result of the violation; or • Two times the maximum penalty. 		
6310—Bars BSA Violators from Serving on a Credit Union Board	<p>Expressly prohibits individuals found to have criminally violated the BSA (conviction and maximum term of imprisonment more than one year) or to have been civilly liable (willful conduct that facilitated money laundering or the financing of terrorism) from serving on board of a credit union for ten years running from the date of the conviction or judgment.</p>		
6312—Return of Profits and Bonuses	<p>Includes disgorgement of profits gained by BSA violation and bonuses received in year of or immediately following the year of BSA violation (for credit union employees, officers, officials, etc.) as criminal penalties.</p>		

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<p>6403—Beneficial Ownership Information Reporting Requirements</p>	<p>Requires FinCEN to issue rules by January 1, 2022. In turn, legal entities, unless exempted, would be required to provide beneficial ownership information to FinCEN within two years after the effective date of implementing regulations (for entities in existence on the effective date). New entities would need to provide beneficial ownership information, at the time of formation or registration. Entities will be required to update FinCEN with any changes to beneficial ownership information in a timely manner, but no later than one year following the change.</p> <p>Requires the Secretary of the Treasury, in consultation with the Attorney General and the Secretary of Homeland Security, to review whether there is a need to update a beneficial ownership report within a shorter time frame. Review needs to be concluded within two years of enactment and findings need to be incorporated into any implementing regulations, if appropriate.</p>	<p>January 1, 2022</p>	<p>Department of the Treasury, FinCEN</p>

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<p>6403— Beneficial Ownership Information Reporting Requirements (cont’d)</p>	<p>Prescribes the specific information that reporting companies need to provide to FinCEN.</p> <p>No later than January 1, 2022, then annually for the next two years, the Secretary of the Treasury must submit a report to Congress. This includes assessing the effectiveness of the information reporting requirement and any alternative procedures and standards that can be used to report the information.</p> <p>Permits FinCEN to disclose beneficial ownership information in response to a request made by a credit union subject to customer due diligence requirements, with the consent of the reporting company. Requires the Secretary of the Treasury to prescribe the form and manner of disclosure to credit unions by regulation. Prohibits credit unions from disclosing information received from FinCEN.</p> <p>Includes several requirements that pertain to requests from agencies or law enforcement.</p>	<p>January 1, 2022</p>	<p>Department of the Treasury, FinCEN</p>

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	<p>Requires Secretary of the Treasury, States, and Indian Tribes to notify reporting companies of their obligations to report beneficial ownership information to FinCEN and take other actions.</p> <p>Imposes criminal and civil penalties upon reporting companies that fail to report beneficial ownership information to FinCEN as required.</p>		

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