



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, D.C. 20429-9990

Financial Institution Letter
FIL-35-2006
April 24, 2006

USA PATRIOT ACT

Extension of Applicability Dates for Implementing International Correspondent Banking Provisions and Private Banking Provisions of Section 312

Summary: The Financial Crimes Enforcement Network (FinCEN) has issued the attached final rule extending, in part, the applicability dates for implementing the international correspondent banking provisions and the private banking provisions of Section 312 of the USA PATRIOT Act.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

Chief Executive Officer
BSA Compliance Officer

Related Topics:

Bank Secrecy Act/Anti-Money Laundering Programs

Attachment:

March 30, 2006, *Federal Register* notice extending applicability date:
<http://a257.g.akamaitech.net/7/257/2422/01jan20061800/edocket.access.gpo.gov/2006/pdf/06-3045.pdf>

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Note:

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Highlights:

- On January 4, 2006, FinCEN issued a final regulation implementing Section 312 of the USA PATRIOT Act. The final rule took effect on February 3, 2006, and superseded the interim final rule issued on July 23, 2002.
- The final rule requires U.S. financial institutions to apply due diligence to correspondent accounts maintained for certain foreign financial institutions and private banking accounts maintained for foreign individuals.
- Regarding correspondent banking, generally, the rule establishes the scope of U.S. financial institutions to which the rule applies and outlines general due diligence requirements to mitigate exposure to potential money-laundering activities.
- Regarding private banking accounts, the rule outlines the due diligence and enhanced due diligence that is required and further clarifies duties with respect to accounts maintained for senior foreign political figures.
- On March 30, 2006, FinCEN extended the applicability date required by the January 4, 2006, final rule from April 4, 2006, to July 5, 2006, for new accounts opened by U.S. financial institutions (see attached *Federal Register* notice). The effective date for existing accounts to comply with the January 4, 2006, final rule remains October 2, 2006.
- Please distribute this information to the appropriate personnel in your institution.

