



BANCO POPULAR NORTH AMERICA

**Banking Money Services
Business**

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Banking of MSBs

- » Allowed and encouraged by regulators
 - *Advisory on Guidance to Money Services Businesses on Obtaining and Maintaining Banking Services (4/26/2005)*
 - Differences between regulator and law enforcement
- » Requires appropriate due diligence and oversight by the bank.
- » Risk-based approach – must be documented.

Appropriate Level of Due Diligence

- » At account opening – “Know Your Customer”
 - Choose your MSB customers wisely
 - Understand expected activity
- » Ongoing review of activity
 - Compare actual activity to expected activity
- » Designated employees within MSB Unit
 - 10 employees
 - Monitor activity of MSB customers
 - Large checks
 - Cash in/cash out
 - Wire activity
 - ACH transactions

BSA/AML Program

- » Appropriate written BSA/AML policies and procedures
- » BSA/AML Officer
- » Sufficient and effective internal controls
 - Internal audits
- » Training and communications
 - Employees
 - Agents
- » Independent reviews
 - Competency of reviews
 - Scope of review

AML Program

- » MSB registration – must be current
- » CTRs
- » SARs
- » Record-keeping
- » Adequate aggregation for record-keeping and reporting obligations
 - Multiple transactions by day, week, month, quarter, year
 - Depends on size/volume of MSB customer
- » Record retention
- » Consumer identification
- » OFAC

MSB Support

- » Set the tone from the top
- » Appropriate staffing
- » Level of knowledge
- » Ongoing education/outreach
- » Inculcate into culture
- » Understand limitations





