



## The Year Ahead In Anti-Money Laundering Compliance

regulatory AML

**Summary:** There are several changes on the horizon for Anti-Money Laundering compliance. Community financial institutions need to be aware of AMLA, new criteria for potentially suspicious transactions, and even some of the global strategic initiatives coming. Join us as we share the highlights of many AML initiatives.

According to an assistant astronomy and astrophysics professor from UC Santa Cruz, the Earth is worth about \$5 quadrillion. He used the Earth's mass, temperature, age, and other factors that directly affect its ability to support life. If planet investing was possible, no doubt money launderers would try to use it to their advantage.

Yet, this year could be a monumental one for money launderers and financial institutions. Anti-Money Laundering (AML) regulatory efforts that have been percolating for years are starting to take shape. Given the change in administration and the fact that AML reform has had bipartisan support in Congress, community financial institutions (CFIs) will want to be prepared. Here are a few things to look out for in the year ahead.

### New domestic laws and rulemaking on the horizon

- The National Defense Authorization Act (NDAA). As part of the NDAA, the **Anti-Money Laundering Act (AMLA) of 2020 will become law and amend the Bank Secrecy Act** with the most substantial changes since 2001. [The AMLA contains several provisions](#) that could significantly boost civil and criminal enforcement of AML violations.
  - The Act requires smaller companies to disclose beneficial ownership information to the Financial Crimes Enforcement Network (FinCEN).
  - It mandates awards to whistleblowers that report actionable information about applicable violations.
- In September, FinCEN sought comment related to enhancing CFI's AML program effectiveness. Comments were due in November so CFIs should expect to see more on this in the coming months.
- [FinCEN has also proposed](#) financial institutions be **required to share information with authorities on potentially suspicious transactions sent overseas worth more than \$250**. That would be a significant change from the current threshold of \$3,000.
- **The Government Accountability Office has also weighed in**, recommending FinCEN "develop policies and procedures to promote greater law enforcement use of Bank Secrecy Act reports."

### Global guidelines on the way too

- The European Union, through the EU Commission, has made strides in strengthening the EU's framework to combat money laundering and terrorist financing. The Commission has said it will propose a more harmonized set of rules for members in the first quarter of 2021. The Commission is also poised to propose the establishment of an EU-level supervisor, as opposed to member state-specific supervision.
- The Financial Action Task Force, a global money laundering and terrorist financing watchdog, has announced several strategic initiatives. One is the enhanced monitoring of virtual assets and considering whether

further updates to its standards are necessary. Industry watchers should expect to see more on this in 2021.

With these and other developments to watch, it's going to be an interesting year from an AML perspective, so stay tuned.

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