

Financial Crimes Enforcement Network, Treasury

§ 1020.210

1020.640 [Reserved]

1020.670 Summons or subpoena of foreign bank records; termination of correspondent relationship.

AUTHORITY: 12 U.S.C. 1829b and 1951–1959; 31 U.S.C. 5311–5314 and 5316–5332; title III, sec. 314, Pub. L. 107–56, 115 Stat. 307; sec. 701, Pub. L. 114–74, 129 Stat. 599.

SOURCE: 75 FR 65812, Oct. 26, 2010, unless otherwise noted.

Subpart A—Definitions

§ 1020.100 Definitions.

Refer to §1010.100 of this Chapter for general definitions not noted herein. To the extent there is a differing definition in §1010.100 of this chapter, the definition in this Section is what applies to part 1020. Unless otherwise indicated, for purposes of this part:

(a) *Account*. For purposes of §1020.220:

(1) *Account* means a formal banking relationship established to provide or engage in services, dealings, or other financial transactions including a deposit account, a transaction or asset account, a credit account, or other extension of credit. *Account* also includes a relationship established to provide a safety deposit box or other safekeeping services, or cash management, custodian, and trust services.

(2) *Account* does not include:

(i) A product or service where a formal banking relationship is not established with a person, such as check-cashing, wire transfer, or sale of a check or money order;

(ii) An account that the bank acquires through an acquisition, merger, purchase of assets, or assumption of liabilities; or

(iii) An account opened for the purpose of participating in an employee benefit plan established under the Employee Retirement Income Security Act of 1974.

(b) *Customer*. For the purposes of § 1020.220:

(1) *Customer* means:

(i) A person that opens a new account; and

(ii) An individual who opens a new account for:

(A) An individual who lacks legal capacity, such as a minor; or

(B) An entity that is not a legal person, such as a civic club.

(2) *Customer* does not include:

(i) A financial institution regulated by a Federal functional regulator or a bank regulated by a State bank regulator;

(ii) A person described in § 1020.315(b)(2) through (b)(4); or

(iii) A person that has an existing account with the bank, provided that the bank has a reasonable belief that it knows the true identity of the person.

[75 FR 65812, Oct. 26, 2010, as amended at 85 FR 57137, Sept. 16, 2020]

Subpart B—Programs

§ 1020.200 General.

Banks are subject to the program requirements set forth and cross referenced in this subpart. Banks should also refer to subpart B of part 1010 of this chapter for program requirements contained in that subpart which apply to banks.

§ 1020.210 Anti-money laundering program requirements for banks.

(a) *Anti-money laundering program requirements for banks regulated by a Federal functional regulator, including banks, savings associations, and credit unions*. A bank regulated by a Federal functional regulator shall be deemed to satisfy the requirements of 31 U.S.C. 5318(h)(1) if it implements and maintains an anti-money laundering program that:

(1) Complies with the requirements of §§ 1010.610 and 1010.620 of this chapter;

(2) Includes, at a minimum:

(i) A system of internal controls to assure ongoing compliance;

(ii) Independent testing for compliance to be conducted by bank personnel or by an outside party;

(iii) Designation of an individual or individuals responsible for coordinating and monitoring day-to-day compliance;

(iv) Training for appropriate personnel; and

(v) Appropriate risk-based procedures for conducting ongoing customer due diligence, to include, but not be limited to:

(A) Understanding the nature and purpose of customer relationships for the purpose of developing a customer risk profile; and