

# 2010 Mid-Atlantic Anti-Money Laundering Conference

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# BSA/AML Risk Assessment

- Consistent rating system across lines of business
  - Categories: clear distinctions, reasonable levels
  - Methodologies:
    - Variations among products and services
    - Variations within risk factors (for example, geography)
  - Format: sufficient similarity to enable comparison, systems may encompass different legacy formats
  - Frequency: customer risk assessment updates per schedule and at key events
    - External
    - Internal

# BSA/AML Risk Assessment

- Affiliated entities
  - Consideration of all relevant risk factors and variations across enterprise
  - Customer risk assessment should consider affiliate exposures
- Documentation
  - Changes to risk ratings
  - Exceptions to assessment policies

# Risk Assessment

- Inputs to Risk Assessment
  - Inclusion in risk assessment of results of investigations, filing determinations, repeat filings
  - Law enforcement information
    - Analytics/threat assessment
    - Direct engagement
  - Process for incorporating business and operational updates into assessments
    - Involvement of compliance staff
  - Input across lines of business and legal entities

# BSA/AML Risk Management

- Integration of risk assessment into risk management program
  - Use of risk assessment in implementing controls
  - Related risk assessments (e.g., fraud, internet gambling)
- Enhanced transparency and risk controls
  - Increased transaction data to intermediaries
    - Funds transfers – cover payments
    - International Automated Clearing House transactions
    - Proposed Fedwire changes
  - Beneficial ownership information
    - [www.federalreserve.gov/boarddocs/srletters/2010/sr1005.pdf](http://www.federalreserve.gov/boarddocs/srletters/2010/sr1005.pdf)

# Additional Information

- [Nina.nichols@frb.gov](mailto:Nina.nichols@frb.gov) 202-452-2961
- Federal Reserve and interagency guidance  
[www.federalreserve.gov/boarddocs/srletters/](http://www.federalreserve.gov/boarddocs/srletters/)
- Fedwire:  
<http://www.frbervices.org/campaigns/remittance/>
- Retail payments:  
<http://frbervices.org/campaigns/fedglobal/index.html>  
<http://portalsandrails.frbatlanta.org/>