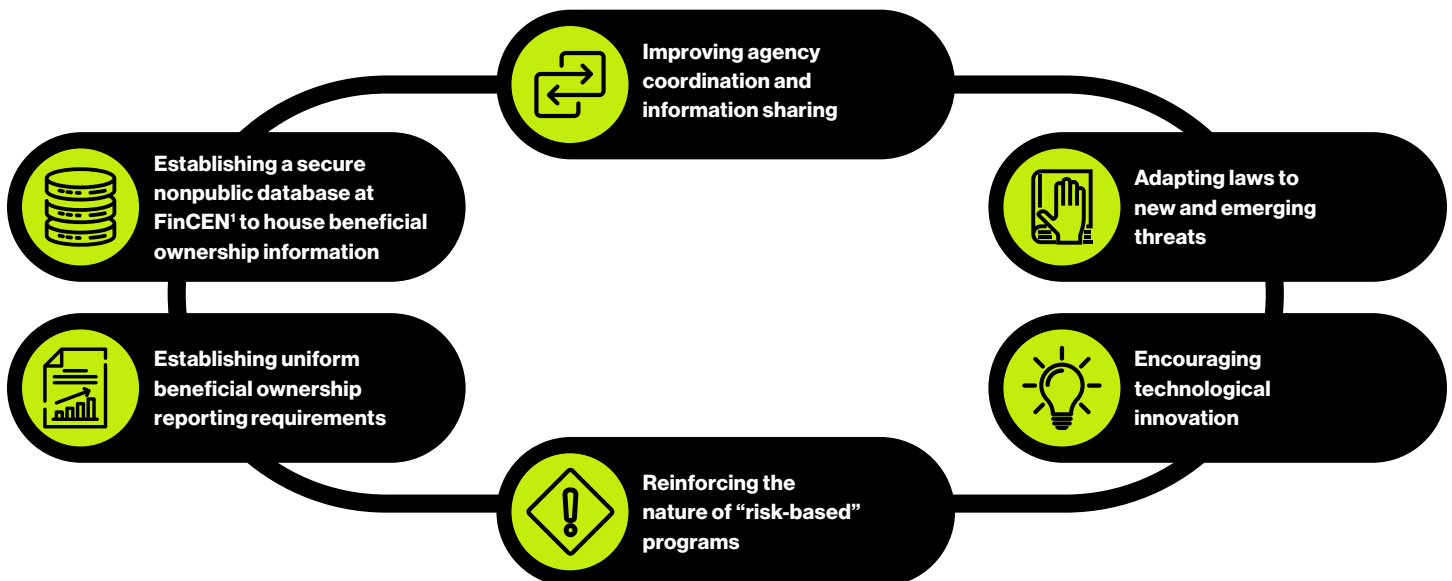


Financial Services**Anti-Money Laundering Act 2020****Overview of the Anti-Money Laundering Act of 2020 (AMLA)**

The AMLA is contained in Division F of the National Defense Authorization Act, which was signed into law on January 1, 2021.

The AMLA is intended to clarify and streamline certain anti-money laundering (AML) and Bank Secrecy Act (BSA) obligations and is intended to strengthen, modernize, and improve compliance programs by:



1. Financial Crimes Enforcement Network

Titles in the Anti-Money Laundering Act of 2020

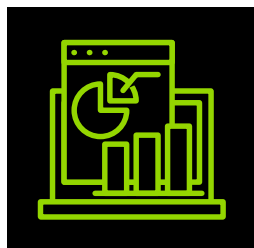
The AMLA is divided into the following five titles:



Title LXI

Title LXI - Strengthening Treasury Financial Intelligence, AML, and Counter-Terrorism Financing (CTF) Programs

- Establishes national exam and supervision priorities.
- Strengthens FinCEN and expands the definition of financial institution (FI) to cover entities that deal in virtual currency.
- Expands BSA application to antiquities dealers and potentially art dealers.



Title LXII

Title LXII - Modernizing the AML and CTF Reporting System

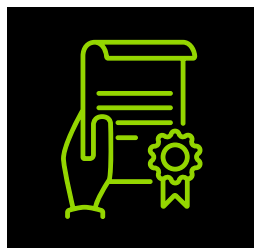
- Creates the BSA Advisory Group Subcommittee on Innovation and Technology and appointment of Innovation Officers.
- Streamlines reporting requirements.
- Requires regulatory reports and studies relating to the effectiveness and efficiency of reporting requirements.
- Provides for enhanced public/private information sharing and permits FIs to share compliance resources.



Title LXIII

Title LXIII - Improving AML and CTF Communication, Oversight, and Processes

- Increases collaboration and communication between agencies.
- Permits issuance of subpoenas to foreign banks maintaining a US correspondent account.
- Increases penalties for AML and BSA violations.
- Enhances whistleblower incentives.



Title LXIV

Title LXIV - Establishing Beneficial Ownership Information Reporting Requirements

- Implements legislation addressing concealment of beneficial ownership to facilitate illicit activity.
- Establishes beneficial ownership information reporting requirements.



Title LXV

Title LXV - Miscellaneous

- New beneficial ownership reporting requirements.
- Currency Transaction Reports (CTRs).
- Trafficking.
- Government feedback.
- Trade-based money laundering.

AMLA Timeline

As noted below, certain provisions of the AMLA became effective on January 1, 2021, with other provisions becoming effective at later dates. Additionally, the AMLA commissions a number of regulatory studies and reports, the ultimate effects of which are currently unknown, but may result in issuance of guidance, new requirements, or amendments to existing requirements.

January 1, 2021



- Expands definition of financial institution to include virtual currency dealers.
- Establishes FinCEN Exchange to promote information sharing.
- Promotes additional considerations related to Suspicious Activity Reports (SARs) and Currency Transaction Reports (CTRs).
- Permits FIs to share compliance resources.
- Allows Secretary of Treasury/AG to issue subpoenas to any foreign bank maintaining a correspondent account in the US and request any relevant records.
- Increases penalties for BSA violators.

- Conduct assessment to establish a formal no-action letter process.
- Publish a report on establishment of national exam and supervision priorities.

June 30, 2021



December 27, 2021



- Expands BSA application to antiquities dealers.
- Requires a study on the facilitation of money laundering and financing terrorism through the art trade.
- Provide regulations to carry out publication of the updated AML/CTF priorities.

- Establish a rule that issues a pilot program on sharing SAR information with foreign affiliates.
- Publish a report on the effectiveness of the FinCEN Exchange.
- Conduct a review to streamline requirements for CTRs and SARs.
- Conduct analysis and submit a report on de-risking.
- Promulgate regulations and establish protocols to implement the new beneficial ownership reporting requirements.

January 1, 2022



January 1, 2023



- Conduct a review of the new beneficial ownership reporting requirements.
- Incorporate new rulemakings for beneficial ownership reporting requirements, as applicable.

- Commence a study on the effectiveness of CTR data.
- Publish a report (by December 31, 2025) based on the findings from the CTR study.

January 1, 2025



Conclusion

Financial institutions should consider how they will: (1) address new regulatory requirements; and (2) be proactive in terms of potential future changes based on the various provisions in the AMLA, such as the findings from conducting various studies and reports.

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