



Via electronic submission

May 9, 2018

Mr. Kenneth A. Blanco, Director  
Financial Crimes Enforcement Network  
P.O. Box 39  
Vienna, VA 22183

**Re: Compliance for Customer Due Diligence Rule**

Dear Director Blanco,

The Consumer Bankers Association (CBA)<sup>1</sup> fully supports efforts by the Financial Crimes Enforcement Network (FinCEN) to crack down on illegal activities through its final customer due diligence rule (CDD rule). While CBA appreciates the time banks were given to implement this complex data collection rule, unexpected developments and delays have surfaced, creating compliance challenges for covered financial institutions. We therefore request examination materials offer flexibility for regulators and banks to work together while implementing the new CDD rule.

Specifically, on April 3, 2018, FinCEN issued long-awaited frequently asked questions (FAQs) regarding the CDD Rule. On May 11, 2018, the CDD Rule will require covered financial institutions (1) to establish procedures to identify and verify the identity of the beneficial owners of legal entity customers that open new accounts unless an exception applies and (2) ensure their anti-money laundering (AML) compliance programs include appropriate risk-based procedures for ongoing CDD efforts, including developing customer risk profiles and periodically updating the beneficial ownership information of existing customers.

Covered financial institutions and industry associations have sought clarification and guidance from FinCEN on a range of topics, and while the FAQs are a welcomed development; their late publication adds complexity to compliance requirements set for May 11. While some of our members will be able to quickly adapt and make changes, many will have difficulty

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<sup>1</sup> The Consumer Bankers Association (CBA) is the only national financial trade group focused exclusively on retail banking and personal financial services—banking services geared toward consumers and small businesses. As the recognized voice on retail banking issues, CBA provides leadership, education, research, and federal representation for its members. CBA members include the nation's largest bank holding companies as well as regional and super community banks that collectively hold two-thirds of the total assets of depository institutions.



adjusting. Additionally, the FFIEC exam manual incorporating the new CDD rule has not yet been released. The exam manual is critical to understanding how examiners will examine banks in this area. Absent the exam manual, banks will not have the appropriate tools required to ensure full compliance with the new rule.

Accordingly, CBA urges FinCEN to support the FFIEC's development of a leniency expectation until the FFIEC examination manual is revised and banks have an appropriate time to respond to the published expectations.

Sincerely,

A handwritten signature in black ink that reads 'Richard Hunt'. The signature is written in a cursive style with a large, prominent 'R' and 'H'.

Richard Hunt  
President and CEO  
Consumer Bankers Association