

**DATE:** May 17, 2021  
**BULLETIN:** 2021-KDCU-CUB-10  
**TO:** Kansas Chartered Credit Unions  
**SUBJECT:** Anti-Money Laundering Act of 2020, Part III

### ANTI-MONEY LAUNDERING ACT OF 2020, PART III

The ongoing discussion with regard to the Anti-Money Laundering Act (AMLA) which was passed on January 1, 2021, as part of the National Defense Authorization Act (NDAA), continues with this third bulletin.

AMLA §6401 is titled the “Corporate Transparency Act” (CTA) and provides further structure with regard to **beneficial ownership**. In the opening paragraph, Congress specifically comments “...money launderers and others involved in commercial activity intentionally conduct transactions through corporate structures in order to evade detection, and may layer such structures, much like Russian nesting ‘Matryoshka’ dolls, across various secretive jurisdictions such that each time an investigator obtains ownership records for a domestic or foreign entity, the newly identified entity is yet another corporate entity, necessitating a repeat of the same process.”

The definitions and requirements of the CTA do not match perfectly with the current beneficial ownership rules, but the concept of customer due diligence (CDD) remains. One significant change is the requirement for “reporting companies” to submit a report with the required information to FinCEN which will be maintained in a secure non-public database. Information will be available upon “...a request made by a financial institution subject to customer due diligence requirements, with the consent of the reporting company, to facilitate compliance of the financial institution with customer due diligence requirements.”

The AMLA also establishes a “**domestic liaison**” program within FinCEN. In general, each Domestic Liaison shall (1) perform outreach to BSA officers at financial institutions; (2) receive feedback from financial institutions and examiners regarding BSA examinations; (3) promote coordination and consistency of supervisory guidance; and (4) act as a liaison between financial institutions and their regulators with respect to information sharing matters involving the BSA.

For financial institutions with **repeated BSA violations**, additional civil penalties may be imposed by the Department of the Treasury “...in an amount that is not more than the greater of (1) if practicable to calculate, 3 times the profit gained or loss avoided by such person as a result of the violation; or (2) 2 times the maximum penalty with respect to the violation.”

**NOTE:** Administrator Vickie Hurt has determined the Kansas Department of Credit Unions (KDCU) will begin a return to on-site credit union examinations effective July 1, 2021. In determining the appropriate number of on-site and remote examiners, a variety of factors will be used; however, a minimum of two (2) examiners should be expected. If your credit union has questions, please contact [Administrator Hurt](#).