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Financial Institution Letters

New Anti-Money Laundering Guidance

FIL-4-2004
January 9, 2004

TO: CHIEF EXECUTIVE OFFICER (also of interest to the BSA Officer)

SUBJECT: Guidance on Customer Identification Programs

Summary: *The federal banking, thrift, and credit union regulatory agencies, the Financial Crimes Enforcement Network and the Department of Treasury have jointly issued interpretive guidance on the application of the "Customer Identification Programs for Banks, Savings Associations, and Credit Unions" regulation.*

The Federal Deposit Insurance Corporation (FDIC), together with the Board of Governors of the Federal Reserve System, the Office of the Comptroller of the Currency, the Office of Thrift Supervision, the National Credit Union Administration, the Financial Crimes Enforcement Network, and the Department of Treasury (Treasury), is issuing the attached interpretive guidance to financial institutions on the application of the Customer Identification Program (CIP) rule (31 C.F.R. 103.121), which is the regulation implementing Section 326 of the USA PATRIOT Act.

The new Section 103.121 of Treasury's Financial Recordkeeping and Reporting Regulations (also called the Bank Secrecy Act) requires that financial institutions implement a written risk-based customer identification program; maintain records, including customer information and methods used to verify customers' identities; and compare the names of new customers against government lists of known or suspected terrorists or terrorist organizations. The attached Frequently Asked Questions (FAQs) document provides interpretive guidance to the new CIP rule. It should be noted that the CIP is only one aspect of a Bank Secrecy Act compliance program. Financial institutions are expected to implement additional principles consistent with safe and sound risk-management practices when conducting customer due diligence, underwriting, or account administration.

For further information, please contact your FDIC Division of Supervision and Consumer Protection Regional Office.

For your reference, FDIC Financial Institution Letters may be accessed from the FDIC's website at www.fdic.gov/news/news/financial/2004/index.html. To learn how to automatically receive FDIC Financial Institution Letters through e-mail, please visit <http://www.fdic.gov/news/news/announcements/index.html>.

Michael J. Zamorski
Director
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General Counsel

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Attachment: [FAQs: Final CIP Rule](#)

Distribution: FDIC-Supervised Banks (Commercial and Savings)

NOTE: Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street, NW, Room 100, Washington, DC 20434 (1-877-275-3342 or 202-416-6940).

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