



What's Been Happening?

Nations are working together to combat the financing of terrorism and anti-money laundering (AML/CFT), with several countries jointly discussing potential reforms. A German challenger bank was hit with AML fines, and community banks received guidance from regulators regarding their arrangements with FinTechs. Plus, a common framework to standardize state regulation of money transmitters at a national level was proposed, but will it get legs?

And who's going to [Money20/20](#)? Stacy Bjornstad, DigiPli's Chief Revenue Officer, will be speaking on a panel, and would welcome meeting you! Please [reach out](#). To get to know Stacy, see her recent [feature](#) in NYC FinTech Women's FinTech Female Fridays series.

OFAC Sanctions Virtual Currency Platform

As part of the government-wide effort to counter ransomware, on September 21st the Treasury Department's Office of Foreign Assets Control ("OFAC") sanctioned SUEX OTC, S.R.O, a cryptocurrency exchange, for facilitating payments involving the illicit proceeds from multiple ransomware attacks. This marks the first time OFAC sanctioned a virtual currency platform, and it's now illegal for US persons to engage in transactions with SUEX and its affiliates. In addition to designating SUEX, OFAC updated its guidance on the risks companies face for facilitating ransomware payments, which highlights the importance of improving cybersecurity practices and reporting ransomware attacks to the appropriate governmental agencies. Click [here](#) for details.

AML Tip of the Month

U.S. Department of Treasury recently indicated the [antiquities trade](#) will begin to be monitored under the Bank Secrecy Act. FinCEN is in process of soliciting comments. With the recent growth of NFTs, could that be next on FinCEN's

Joint guidance issued by regulators to community banks for FinTech relationships

In their drive to adapt to an increasingly digital financial system, many community banks are beginning to both bank and enter into other relationships with FinTechs. However, banking a FinTech raises unique issues. Given this growing trend, the federal banking regulators jointly published a [guide](#) for community banks:

Conducting Due Diligence on Financial Technology Companies. The guide provides factors community banks should consider when exploring a relationship or partnership with a FinTech. The factors include Business Condition, Business Strategy, and Regulatory and Compliance.



BaFin German bank N26 hit with \$5 million fine

German mobile bank N26 was fined \$5 million by BaFin due to deficiencies in its reporting of suspicious activities. N26 was ordered to ensure it has adequate personnel, technical and organizational resources to comply with the obligations of the AML laws. BaFin also ordered N26 to improve its controls, and took an unusual step by hiring a special commissioner to monitor the bank's progress over time. The fine was a result of the delayed submissions of less than 50 suspicious activity reports during 2019 and 2020.

CSBS proposes state-wide licensing for MSBs



The Conference of State Bank Supervisors (CSBS) released the Uniform Money Transmission Modernization Act as a part of states' "broader effort to modernize the regulatory system." The act is currently seeking to replace 50 sets of state-specific money transmitter laws and rules, with a single set of nationwide standards and requirements. It seeks to simplify the licensing regime for companies (i.e., MSBs) that offer digital wallets, prepaid cards, money orders, and cash or virtual currency transactions. While this is a welcome response to the demands for rationalization of an extraordinary cumbersome state licensing process, the act would still need to be adopted by each individual state.

DigiPli empowers financial institutions to quickly and compliantly open customer accounts by delivering an end-to-end technology solution bundled with ongoing support from its AML experts

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