



### What's Been Happening?

As is the case every month, we continue to see developments on the anti-money laundering front. In this issue we highlight FinCEN's first attempt to implement the new rules required by AMLA 2020, discuss key OFAC developments, and report on Deutsche Bank's latest AML issues. And if you have a few minutes, check out our podcast with Finovate host Greg Palmer.

#### Finovate Podcast Features DigiPli CEO



Jeff Horvath, CEO and Co-Founder of DigiPli, was interviewed by Greg Palmer on the latest episode of the Finovate Podcast series. Together they discussed the implications of AMLA 2020 to the financial services industry, current AML compliance challenges, and tips for FinTechs looking to build or improve their AML programs. Listen to the podcast [here](#)!

#### AML Tip of the Month



Financial institutions are increasingly relying on SaaS-based vendor products to support their identity verification, customer due diligence, sanction screening and transaction monitoring programs. Understanding those vendors' cybersecurity controls - and whether they may introduce weaknesses into a firm's own cybersecurity program - is a key factor when choosing a vendor. Click [here](#) to access FINRA's cybersecurity checklist designed to help smaller firms assess and mitigate this risk.

#### ABA Response to FinCEN Request for Comment on AMLA 2020



Corporation for American Banking, L.L.C.  
ABA's Subsidiary for Profitable Banking

On May 5th the American Bankers Association (ABA) submitted a [Response Letter](#) to the Financial Crimes Enforcement Network's ("FinCEN") request for public comment on the Anti-Money Laundering Act of 2020 ("AMLA 2020"). The correspondence expressed important concerns about the Beneficial Ownership Registry, the definitions of "substantial control," and what constitutes a reportable 25% ownership interest. The ABA's comment letter provides a good overview of the many challenges facing FinCEN as it seeks to implement this complex requirement. Given how impactful the outcome FinCEN's rulemaking process will be on the industry, we'll be posting regular updates [here](#).



OFAC

## OFAC Update

A number of significant updates were made to the OFAC rules in the last month. These included what the Treasury Department is calling the “single largest action targeting corruption to date.” It **sanctioned** three prominent Bulgarian individuals along with their network of 64 companies for their “extensive roles” in corruption in Bulgaria. Plus, the administration took action as a result of the “threat posed by the military-industrial complex of the People’s Republic of China”, and imposed prohibitions on investments in 59 Chinese defense and surveillance technology firms on its new **Non-SDN Chinese Military-Industrial Complex Companies List**.

---

## Deutsche Banks Backslides in AML Efforts

The Federal Reserve privately informed Deutsche Bank in an annual regulatory assessment its AML compliance programs are “backsliding.” The assessment stated that Deutsche Bank failed to improve its risk management practices despite being under confidential agreements with the Fed to fix the issues. The German bank is bracing for possible sanctions, and as part of its efforts to enhance its controls promoted the general counsel for the Americas to be its new Global Head of Anti-Financial Crime, a department comprised of 1,800 people. Here's a **Bloomberg** article with further details.



Deutsche Bank

---

*DigiPli is a RegTech firm that's redefining how FinTechs and other financial institutions meet their anti-money laundering obligations*

Schedule a Call



www.digipli.com | team@digipli.com | 201.255.9440