



What's Been Happening?

In recognition of the summer holidays, DigiPli is combining its June and July Monthly Wraps into this single publication. But that doesn't mean the regulators were on vacation! FinCEN was active in June, providing a 180-day update on the AML Act of 2020, and issuing its first-ever list of anti-money laundering and counter-terrorist financing priorities. In July, FATF also published its views on how to better leverage technology in the fight against financial crime. And of course cryptocurrency continues to remain in the regulatory and political spotlight, especially given the high profile use of cryptocurrency in recent cyberattacks.

Four-Part Series: What FinTechs Need to Know about AML

DigiPli, together with [Barclays Rise Connect](#), is publishing a 4-part series highlighting key areas that FinTechs need to know to ensure compliance with the AML laws. The first article was published in the Barclays Rise weekly newsletter on July 16, and focused on the four 'pillars' required in every AML program. You can access the article [here](#). Future installments in the series will be featured in the next three Barclays Rise newsletters, and posted on the [Insights](#) page of DigiPli's website.

FinCEN issues list of AML & CFT Priorities



On June 30, the Financial Crimes Enforcement Network (FinCEN), in consultation with other federal and state regulators, issued the first-ever government-wide [list of anti-money laundering \(AML\) and countering the financing of terrorism \(CFT\) priorities](#) (the "Priorities"). The Priorities identify and describe the most significant AML/CFT threats currently facing the United States and are intended to assist financial institutions with prioritizing their AML resources and better managing their AML risks. The Priorities are: Corruption, Cybercrime

The Biden Administration provides added support to regulators' fight against corruption



The Biden Administration issued a [National Security Study Memorandum](#) instructing federal agencies to increase the fight against corruption both domestically and abroad. The memorandum also complements the additional Justice Department resources proposed for FinCEN. With the increased federal focus on corruption, and coming on the heels of the AML Act of 2020, regulators are better armed than ever to continue their fight against financial crime. As the tools available to

(including Relevant Cybersecurity and Virtual Currency Considerations), Terrorist Financing, Fraud, Transnational Criminal Organization Activity, Drug Trafficking Organization Activity, Human Trafficking and Human Smuggling, and Proliferation Financing. The guidance provides an in-depth analysis of each Priority, which AML officers should consider when performing their risk assessments and allocating resources. FinCEN also stated that it will "issue regulations at a later date that will specify how financial institutions should incorporate these Priorities into their risk-based AML programs".

FinCEN releases 180-day update on the AML Act of 2020



On June 30, 2021 FinCEN announced its **180-day update** on the AML Act of 2020, which became law in January 2021. The update included the No-Action letter assessment that was submitted to Congress, and the publication of National AML/CFT Priorities discussed above.

Digital Asset Working Group to review digital assets for responsible innovation and inclusion



Chairman Waters of the House Committee on Financial Services organized a Digital Assets Working Group of Democratic Members. The Working Group's goal is to gain a

regulators increase, so too will the level of scrutiny they can bring to bear across the financial services industry as a whole.

Cryptocurrency in the spotlight



Hackers' use of cryptocurrency to carry out criminal activities is likely to increase public scrutiny of digital assets and fuel the debate as to how strictly the US should regulate cryptocurrency. Recent examples include the ransomware attacks targeting the Colonial Pipeline, JBS meatpacking company, and the ferry service that serves Martha's Vineyard, Cape Cod and Nantucket.

FATF explores opportunities & challenges of new technologies



The Financial Action Task Force (FATF) continues to explore the challenges and opportunities presented by new technology. In the first of two reports, FATF addresses both existing and new technologies, and discusses how digital innovation can assist with implementing FATF recommendations. FATF highlights using technology to perform a risk-based approach versus a rules-based approach when implementing an AML program. The report also mentions that technology can be effective in preventing over-reporting, help perform effective analyses and contribute to financial inclusion by providing solutions for the underbanked. The report also features new technologies that offer the greatest impact to institutions' AML programs, such as machine learning,

more comprehensive understanding of digital assets and ensure through innovation that opportunities are open to all consumers. In addition to inclusion, the Group will determine if additional legislation is needed to protect consumers. While the Administration supports financial innovation, the Group seeks to ensure innovation in digital assets is developed sensibly, and to understand and address the challenges they present.

distributed ledger technologies, natural language processing and APIs. Considering that FATF and other regulatory innovation teams are encouraging firms to replace legacy systems with more automated solutions, this might be a good opportunity to review whether your institution can benefit from some of the many recent advances in Know Your Customer and AML technology. To see FATF's full report, click [here](#).

AML Tip of the Month

FinTechs operating as broker-dealers should check out some helpful guidance provided by FINRA. The organization publishes minimum standards for member firms' written AML compliance programs. Access the guidance and related materials [here](#).



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