



### What's Been Happening?

In April we saw continued regulatory movement in the AML space, with FinCEN starting to take action on implementing AMLA 2020, the SEC issuing an AML-focused Risk Alert and US federal banking regulators issuing a statement on the use of 'models' in AML programs.

#### House Task Forces On Financial Tech and AI



On April 21, the House Financial Services Committee issued a [Press Release](#) about the reauthorization of two Task Forces: one on Financial Technology and the other on Artificial Intelligence. Among other matters, the Task Forces will look at the challenges posed by FinTech applications for lending, payments, and money management, examine how AI is impacting the way Americans operate in the marketplace, and consider issues related to algorithms, digital identities, and combatting fraud.

#### AML Tip of the Month



The SEC issued a [Risk Alert](#) highlighting AML deficiencies it identified in reviews of broker-dealers and mutual funds. Inadequate AML Policies and Procedures, along with the failure to properly implement the procedures, topped their list of findings. In addition, the Division noted issues in filing incorrect or incomplete SARs. And, again, firms were dinged for "unreasonably" relying on manual reviews of transactions instead of implementing an automated system to monitor for suspicious activity.

#### Podcast on AMLA 2020

Jeff Horvath, CEO and Co-Founder of DigiPli, was



interviewed by Sabrina Serafin of Frazier & Deeter as part of their 'Culture of Compliance' podcast series. Topics included implications of AMLA 2020 under the Biden administration, and how reliance on remote workforces and changing business models are impacting the ways financial institutions address AML challenges.

#### Model Risk Management in AML



FinCEN and other federal regulatory agencies issued a [Request for Information and Comment](#) regarding the standards discussed in the interagency [Supervisory Guidance on Model Risk Management](#) (the "MRMG"), which describes how firms should risk assess monitoring platforms "using a sound model validation process, including evaluation of conceptual soundness, ongoing monitoring, and outcomes analysis." The MRMG also highlights the support agencies have for systems and innovation, which can "easily adapt to an evolving threat environment".



#### FinCEN Movement on AMLA 2020

On April 1, FinCEN issued an [Advance Notice of Proposed Rulemaking](#) to solicit public comment on a wide range of questions related to the implementation of the beneficial ownership reporting provisions of AMLA 2020. As a reminder, this provision requires FinCEN to create a database where US corporations, limited liability companies and other entities will be required to report certain information about their beneficial owners. Comments are due by May 5, 2021.

#### Industry Developments: AML Prosecution Implicates Two European Banks

ABN Amro agreed to pay approximately \$575 million to settle a criminal case accusing the Dutch bank of violating AML and terrorism financing regulations repeatedly for several years. On the same day Chris Vogelzang, the head of Danske Bank, which is Denmark's largest bank, resigned after he was named as a suspect in the ABN Amro case due to his role as a Board member at ABN Amro. Ironically, one of Vogelzang's key mandates at Danske was to help the institution address its own AML failures.



DigiPli is a RegTech firm with a mission to revolutionize how FinTechs and other financial institutions meet their anti-money laundering obligations

Schedule a Call



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