

FFIEC Issues New Customer Due Diligence and Beneficial Ownership Examination Procedures

May 11, 2018

The Federal Financial Institutions Examination Council (FFIEC) today issued new examination procedures on the final rule, “Customer Due Diligence Requirements for Financial Institutions,” issued by the Financial Crimes Enforcement Network (FinCEN) on May 11, 2016.

These examination procedures apply to banks, savings and loan associations, savings associations, credit unions, and branches, agencies, and representative offices of foreign banks.

The new examination procedures replace those in the current “Customer Due Diligence — Overview and Examination Procedures” section of the FFIEC’s Bank Secrecy Act/Anti-Money Laundering Examination Manual. In addition, a new overview and examination procedures were developed for the beneficial ownership requirements for legal entity customers.

The FFIEC member agencies created these procedures in close collaboration with FinCEN and the U.S. Department of the Treasury.

FinCEN’s 2016 final rule clarifies customer due diligence requirements and also includes a new requirement for covered financial institutions to identify and verify the identity of beneficial owners of certain legal entity customers. Banks and other covered financial institutions must comply with this rule beginning on May 11, 2018.

Attachments:

[Customer Due Diligence - Overview and Examination Procedures](#)

[Beneficial Ownership for Legal Entity Customers - Overview and Examination Procedures](#)

Media Contacts:

BCFP	Sam Gilford	202-435-7673
FDIC	Greg Hernandez	202-898-6984
Federal Reserve	Susan Stawick	202-452-2955
NCUA	Ben Hardaway	703-518-6333
OCC	Stephanie Collins	202-649-6860
SLC	Matt Longacre	202-803-8091

The FFIEC was established in March 1979 to prescribe uniform principles, standards, and report forms and to promote uniformity in the supervision of financial institutions. It also conducts schools for examiners employed by the five federal member agencies represented on the FFIEC and makes those schools available to employees of state agencies that supervise financial institutions. The

Council consists of the following six voting members: a member of the Board of Governors of the Federal Reserve System; the Chairman of the Federal Deposit Insurance Corporation; the Director of the Bureau of Consumer Financial Protection; the Comptroller of the Currency; the Chairman of the National Credit Union Administration; and the Chairman of the State Liaison Committee.

