

TCH Updates Guiding Principles on Anti-Money Laundering Policies and Correspondent Banking Procedures

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Washington D.C. – February 16, 2016 – The Clearing House Association (TCH) today published a final updated version of its [*Guiding Principles for Anti-Money Laundering Policies and Procedures in Correspondent Banking*](#). The Guiding Principles, which were initially published in 2002, are intended to provide guidance to U.S. banks engaged in foreign correspondent banking and to assist U.S. banks in implementing key anti-money laundering (AML) procedures.

“Correspondent banking remains just as integral to the international payment system today as it did in 2002. It also remains vulnerable to risks of money laundering, terrorist financing, and activity that violates U.S. sanctions,” said Alaina Gimbert, Senior Vice President and Associate General Counsel of The Clearing House Association. “These Guiding Principles are intended to assist U.S. banks in the continuing redesign and development of comprehensive due diligence programs to identify and manage particular AML and sanctions risks in correspondent banking.”

Correspondent banking is essential to global finance, trade flows, and cross-border economic development, but it can also pose AML risks that are increasingly the subject of regulatory and industry scrutiny. The guiding principles are intended to build upon U.S. banks’ existing AML and sanctions compliance programs and seek to support compliance with current AML and sanctions statutes, orders, rules, regulations, and guidance.

Some of the areas covered by the AML and correspondent banking guiding principles include:

- establishment of foreign correspondent banking accounts, including due diligence and enhanced due diligence;
- risk assessment of foreign correspondent banking customers;
- identification and reporting of suspicious activity;
- increased transparency for cross-border payments;
- sanctions compliance;
- information sharing; and
- government requests for information.

The updated 2016 guidelines address changes in the AML and sanctions statutes, orders, rules and regulations; guidance clarifying the U.S. government’s expectations of U.S. bank’s AML policies and procedures in

correspondent banking; guidance provided by international organizations; and industry enhancements to correspondent banking practices.

About The Clearing House

The Clearing House is a banking association and payments company that is owned by the largest commercial banks and dates back to 1853. The Clearing House Payments Company L.L.C. owns and operates core payments system infrastructure in the United States and is currently working to modernize that infrastructure by building a new, ubiquitous, real-time payment system. The Clearing House is the only private-sector ACH and wire operator in the United States, processing nearly \$2 trillion in U.S. dollar payments each day, representing half of all commercial ACH and wire volume. Its affiliate, The Clearing House Association L.L.C. is a nonpartisan organization that engages in research, analysis, advocacy and litigation focused on financial regulation that supports a safe, sound and competitive banking system. See The Clearing House's web page at www.theclearinghouse.org.