Examination Procedures

Funds Transfers Recordkeeping

Objective. *Assess the bank’s compliance with statutory and regulatory requirements for funds transfers. This section covers the regulatory requirements as set forth in the BSA. Refer to the expanded sections of this manual for discussions and procedures regarding specific money laundering risks for funds transfer activities.*

| **Procedure** | **Comments** |
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| 1. Verify that the bank obtains and maintains appropriate records for compliance with 31 CFR 1020.410(a). |  |
| 1. Verify that the bank transmits payment information as required by 31 CFR 1010.410(f) (the “Travel Rule”). |  |
| 1. Verify that the bank files CTRs when currency is received or dispersed in a funds transfer that exceeds $10,000. |  |
| 1. If the bank sends or receives funds transfers to or from institutions in other countries, especially those with strict privacy and secrecy laws, assess whether the bank has policies, procedures, and processes to determine whether amounts, the frequency of the transfer, and countries of origin or destination are consistent with the nature of the business or occupation of the customer. |  |
| **Transaction Testing** | |
| 1. On the basis of a risk assessment, prior examination reports, and a review of the bank’s audit findings, select a sample of funds transfers processed as an originator’s bank, an intermediary bank, and a beneficiary’s bank to ensure the institution collects, maintains, or transmits the required information, depending on the institution’s role in the transfer. |  |
| 1. On the basis of examination procedures completed, including transaction testing, form a conclusion about the ability of policies, procedures, and processes to meet regulatory requirements associated with funds transfers. |  |
| 1. On the basis of the previous conclusion and the risks associated with the bank’s activity in this area, proceed to expanded examination procedures, if necessary. |  |