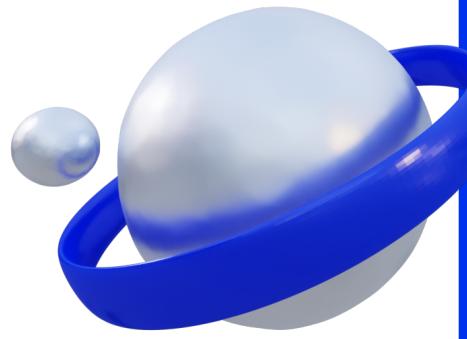# AskDegree

BANK SECRECY ACT
Are You Ready for BaaS Onboarding?

This document does not contain legal or compliance advice.

MONEY LAUNDERING & TERRORISM FINANCING OVERVIEW

It's no secret regulatory pressures are increasing in the BaaS arena. Having a tight handle on your AML risk is mandatory to engage any reputable BaaS Bank.

Before you kick off your BaaS Bank interviews be sure you have a plan in place to comply with and evidence your compliance with Bank Secrecy Act and Anti-Money Laundering requirements related to you product.

Use this document as a tool in your arsenal to aid in the establishment of a robust AML Program.

RISK MANAGEMENT FRAMEWORK

- **KYC and/or KYB**
- **Customer Due Diligence**
- **Customer Risk Assessment**
- **Customer Risk Scoring System**
- **Enhanced Due Diligence**
- **Ongoing Monitoring – ongoing sanction screening**
- **Transaction level screening**
- **Alert Disposition/Time Frame**
- **Politically Exposed Persons**
- **Prohibited Business List**
- **OFAC Policy**

KNOW YOUR EMPLOYEES

- **Staff Screening and Integrity of Staff**
- **Staff Training for the Awareness of AML/CFT**
- **Essential Training for Employees**
- **Effectiveness Review**
  - » Audit conducted by a qualifed neutral/third party
  - » Industry standard – annually

SUSPICIOUS TRANSACTION REPORTING (STR)

- **Suspicious Activity Reporting Thresholds**
  - » Insider abuse involving any amount;
  - » Transactions aggregating $5,000 or more where a suspect can be identifed;
  - » Transactions aggregating $25,000 or more regardless of potential suspects;
  - » Transactions aggregating $5,000 or more that involve potential money laundering or violations of the BSA;
  - » Possible terrorism involving any amount.

ENTERPRISE-WIDE RISK ASSESSMENT

- **Geographical Risk**
- **Customer Risk**
- **Business nature Risk**
- **Sanctions Risk (OFAC)**

DEDICATED PROGRAM OVERSIGHT

- **Assignment of Dedicated BSA /AML Officer**

RECORD KEEPING & MAINTENANCE OF RECORDS

- **Preserved Documentation must comply with all applicable regulations**

THIRD-PARTY TOOLS

- **Onboarding KYC/KYB Vendor**
- **Negative News**
- **Transaction Monitoring**

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Take your **Compliance** to the next level? →