

United States House of Representatives  
Committee on Financial Services  
2129 Rayburn House Office Building  
Washington, D.C. 20515

**M E M O R A N D U M**

To: Members of the Committee on Financial Services

From: FSC Majority Staff

Date: April 24, 2018

Re: April 27, 2018, Financial Institutions and Consumer Credit Subcommittee Hearing entitled “Implementation of FinCEN’s Customer Due Diligence Rule – Financial Institution Perspective”

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The Subcommittee on Financial Institutions and Consumer Credit will hold a hearing entitled “Implementation of FinCEN’s Customer Due Diligence Rule – Financial Institution Perspective” on Friday, April 27, 2018, at 9:15 a.m. in room 2128 of the Rayburn House Office Building. This will be a one-panel hearing with the following witnesses:

- Mr. Greg Baer, President, The Clearing House Association
- Mr. Carlton Greene, Partner, Crowell & Morning LLP
- Mr. Gary Kalman, Executive Director, The FACT Coalition
- Ms. Dalia Martinez, Executive Vice President, International Bank of Commerce, on behalf of the Mid-Size Bank Coalition

On May 11, 2016, the Financial Crimes Enforcement Network (FinCEN) issued its final Customer Due Diligence (CDD) Rule under the Bank Secrecy Act. The final rule imposes a requirement on “covered financial institutions” to identify the beneficial owners who own or control certain legal entity customers at the time a new account is opened (25 percent or higher ownership). Additionally, the CDD Rule amends the anti-money laundering program requirements for covered financial institutions to include risk-based procedures to conduct ongoing customer due diligence. The CDD Rule’s mandatory compliance date is May 11, 2018.

This hearing will discuss efforts financial institutions have taken to update anti-money laundering procedures and implement processes to identify and verify underlying beneficial ownership information as required under the CDD Rule, including ongoing trends and developments that may affect access to the financial system by legitimate businesses and consumers.

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