

12 CFR 563.177 - Procedures for Monitoring Bank Secrecy Act (BSA) Compliance.

(a) **Purpose.** The purpose of this regulation is to require savings associations (as defined by §561.43 of this chapter) to establish and maintain procedures reasonably designed to assure and monitor compliance with the requirements of subchapter II of chapter 53 of title 31, United States Code, and the implementing regulations promulgated there under by the U.S. Department of Treasury, 31 CFR part 103.

(b) *Establishment of a BSA Compliance Program*

(1) **Program requirement.** Each savings association shall develop and provide for the continued administration of a program reasonably designed to assure and monitor compliance with the recordkeeping and reporting requirements set forth in subchapter II of chapter 53 of title 31, United States Code and the implementing regulations issued by the Department of the Treasury at 31 CFR part 103. The compliance program must be written, approved by the savings association's board of directors, and reflected in the minutes of the savings association.

(2) **Customer identification program.** Each savings association is subject to the requirements of 31 U.S.C. 5318(l) and the implementing regulation jointly promulgated by the OTS and the Department of the Treasury at 31 CFR 103.121, which require a customer identification program to be implemented as part of the BSA compliance program required under this section.

(c) **Contents of compliance program.** The compliance program shall, at a minimum:

- (1) Provide for a system of internal controls to assure ongoing compliance;
- (2) Provide for independent testing for compliance to be conducted by a savings association's in-house personnel or by an outside party;
- (3) Designate individual(s) responsible for coordinating and monitoring day-to-day compliance; and
- (4) Provide training for appropriate personnel.

(Approved by the Office of Management and Budget under control number 3068-0530)
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