

Index

- Adverse scenario, 11
- Agencies, 27–28
- American Express Bank, 103–104
- American House Committee on Appropriations, 101–102
- Annual, 3
- Annual stress tests, 28–30
- Anti-money laundering (AML), 3–4, 37–38, 51–52, 65–66, 89, 99–100, 107–108, 125–126
- Arms trading, 15–16
- Automate, 17–18
- Automation, 37–38

- Bank Holding Companies (BHCs), 3, 27–28
- Bank of China (BOC), 103–104
- Bank of Credit and Commerce International (BCCI), 60–64
- Bank Runs, 52–53
- Bank Secrecy Act (BSA) of 1970, 65–66, 100, 125–126
 - code of ethics, compliance practices, 140–141
 - compliance practices, 69–70
 - data source, compliance practices on, 138–139
 - governance practices, 68–69, 71–72, 130–131
 - internal control practices, 66–67, 131–135
 - internal practices on three line of defense, 136–137
 - reporting, compliance practices on, 139–140
 - risk and control assessment, compliance practices on, 135–136
- Bank Secrecy Act/Anti-Money Laundering (BSA/AML), 3–4, 15–16
- Bankers, 9–10, 16–17
- Banking sector, 3
- Banks, 5, 19, 21, 24–25, 27–28, 38, 51–52, 75–76, 99, 101, 107–108, 113
- Basel Committee, 101
- Basel Committee on Banking Supervision (BCBS), 19, 21, 125–126
- Basel II, 28–30
- Basel III, 75–76, 89
- Beneficial Ownership Registry, 38–39
- Beneficiary, 38
- Bitcoins, 101–102
- Blacklisted, 99
- Blockchain, 45–46, 101–102
- Board of Directors, 114, 133, 141
- Board Oversight, 10–11
- British Banking Association (BBA), 72–73
- Broker dealer, 15–16

- Call reports, 3–4
- Capital, 3
- Capital adequacy, 11
- Capital Assistance Program (CAP), 51–52
- Capital Conservation Buffer, 28–30
- Capital inadequacy, 3
- Capital projection, 51–52
- Capital regulation, 11
- Capital requirements, 75–76, 113
 - clear definition of data sources, compliance practices on, 116–117

- code of ethics, compliance practices
 - on, 119–120
- communication, compliance practices on, 77–78
- compliance risks, compliance practices on, 79
- governance practices, 86–87
- internal control, compliance practices on, 84–85
- monitoring and reporting, compliance practices on, 117–118
- morals and integrity, compliance practices on, 120–121
- organizational objectives, compliance practices on, 115–116
- periodic assessment, compliance practices on, 81–82
- remediation, compliance practices on, 80–81
- right product, compliance practices on, 121–122
- test measures, compliance practices on, 76–77
- training, compliance practices on, 85–86
- understanding regulatory compliance, compliance practices on, 123–124
- upper management, compliance practices on, 82–83
- Cash deposits, 45
- Central African Republic (CAR), 110–111
- Central Banks, 28, 30
- CFTC, 15–16
- Chicago Mercantile Exchange, 28
- Chief Compliance Officer (CCO), 128–129
- Chief Risk Officer, 126
- Citigroup, 27–28
- Civil Penalty, 5
- Code of ethics, 13
- Collapse, 39–40
- Collateralized debt obligations (CDOs), 8–9, 40
- Combating the financing of terrorism (CFT), 64, 102–103, 126
- Commercial banks, 3, 15–16
- Commercial real estate (CRE), 8–9
- Commodity Futures Trading Commission (CFTC), 28
- Common Equity Tier 1 (CET1), 75–76
- Community Reinvestment Act (CRA) of 1977, 3–4, 24–25
- Compliance, 11–12
- Compliance costs, 27–28
- Compliance program, 8
- Compliance requirements, 27–28
 - forward looking science, compliance practices on, 31
 - long-term strategies, compliance practices on, 32
 - periodic assessment, compliance practices, 34
 - tests, compliance practices, 33
- Compliance risks, 51–52
- Compliance weakness, 51–52
 - compliance practices on test measurements, 56–57
 - governance practices, 55–56, 59–63
 - internal control practices, 54, 58–59
- Comprehensive Capital Analysis and Review (CCAR), 28–30
- Computer-based systems, 37–38
- Concentration limits, 28–30
- Congress, 28
- Consensus, 11–12
- Corporate Transparency Act (CTA), 15–16, 38–39
- Correspondent Banking Services, 3–4
- Cost–benefit analysis (CBA), 30–35
- Countering terrorist funding (CFT), 19–21
- Counterterrorism (CT), 104–105
- Credit card (CC), 129
- Credit exposure report, 28–30
- Credit Lyonnais, 103–104
- Crime, 5
- Criminal fines, 38

- Criminal liability, 38–39
- Criminals, 19–21
- Critical thinking, 67–72
- Cross-border, 15–16
- Cryptocurrency, 72–73
- Cuban Assets Control Regulations (CACR), 109–111
- Currency transaction reporting (CTR), 15–16, 65–66
- Customer, 4–5
- Customer Due Diligence (CDD), 16–17, 38, 53, 60, 100, 103–104, 142
- Customer Identification Program (CIP), 38–39, 100
- Customer risk, 7–8
- Cyber criminals, 45
- Cybercrimes, 39–40

- Data, 15–16
- De-risking, 5
- Debt, 3
- Delivery channels, 7–8
- Democratic Republic of the Congo (DRC), 110–111
- Department of justice (DOJ), 6–7, 38
- Detection risk, 17–18
- Dodd-Frank Act of 2010, 8–9
- Dodd-Frank Asset Stress Tests (DFAST), 28–30
- Dodd-Frank Bill 2010, 30
- Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA), 11, 75–76
- Drug trade, 15–16
- Drug trafficking, 99–100
- Due diligence, 100

- e-commerce, 37–38
- e-Delphi study, 113
- Effective risk culture, 114
- Electronic Funds Transfer (EFT), 60–64
- Enterprise-wide risk assessment (EWRA), 37–38, 99, 113–114, 126

- methodology, 99
- program, 37–38

- False positives, 17–18
- Fannie Mae, 9–10
- Federal Deposit Insurance Corporation (FDIC), 3, 15–16, 27–28
- Federal Reserve Banks, 15–16
- Federal Reserve System (Fed), 3, 27–28, 51–52
- CRA, 9–10
- stress test, 52–53
- Financial Action Task Force (FATF), 3–4, 15–16, 38–39, 99
- Financial Crimes Enforcement Network (FinCEN), 3–4, 15–16, 38–39, 53, 60, 128–129
- Financial crisis, 9–10
- Financial institutions (FIs), 3–4, 64
- Financial Intelligence Unit (FIU), 60–64
- Financial market, 51–52
- Financial sector, 28
- Financial Service Authority (FSA), 6–7
- Financial stability, 11
- Financial stress, 28–30
- Fined, 5
- FINRA, 15–16
- First line of defense, 17–18
- Flood Disaster Protection Act of 1973, 24–25
- Foreign Account Holders, 38–39
- Foreign correspondent, 6–7
- Foreign Funds Control (FFC), 107
- Fraud, 3
- Fraudulent, 3
- Freddie Mac, 9–10
- Funding, 3
- Funds, 4–5

- Gate keepers, 7–8
- General Assembly, 4–5
- Geographic risk, 7–8
- Global banks, 3, 15–16, 37–38, 113

- compliance data source practices, 18–19
- compliance policy practices, 22–23
- compliance reporting practices, 20–21
- compliance risk identification practices, 23–24
- periodic assessment, compliance practices on, 43–44
- responsibilities, compliance practices on, 42–43
- risk identification, compliance practices on, 41–42
- Government, 3–4
- Guidelines, 6–7
- High-quality liquid asset (HQLA), 28–30
- Home Mortgage Disclosure Act (HMDA) of 1975, 8–9, 24–25
- Hong Kong and Shanghai Banking Corporation (HSBC), 6–7, 16–17, 37–38, 53, 60
- Human error, 5
- Human resources (HR), 89
- Human trafficking, 3
- Humanitarian, 64
- Identification, 37–38
- Idiosyncratic, 3
- Illegal drugs, 4–5
- Illegal transaction, 45
- Inadequacy, 3
- Increased, 3
- Information Management and Information Security, 15–16
- ING Bank, 60, 64, 102–103
- Insolvency, 28
- International Emergency Economic Powers Act (IEEPA), 6–7
- International Holding Companies (IHCs), 3
- International Monetary Fund (IMF), 101
- Know Your Customer (KYC), 7–8, 15–16, 38, 65–66, 100
- Know your data (KYD), 15–16
- Laundering, 4–5
- Laws, 3
- Lebanese Canadian Bank, 103–104
- Lending, 3
- Leverage ratio, 28–30
- Limited Liability Corporation (LLC), 102
- Lines of defenses, 126
- Liquidity Coverage Ratio (LCR), 28–30
- Losses, 3
- Low-risk weights, 9–10
- Maduro Regime revenue streams, 108
- Managerial slack, 8–9
- Manual, 17–18
- Margin, 28–30
- Mergers, 10
- Methodology, 40
- Micro laundering, 45
- Micro-payments, 45
- Minimum capital ratios, 11
- Mitigate, 4–5
- Mitigating, 19–21
- Mobile, 45
- Monetary, 39–40
- Money launderers, 45
- Money laundering, 3–5, 15–16
- Money Laundering Regulations (MLR) in 2017, 38
- Money mules, 102–103
- Money services, 4–5
- Monitoring, 5
- Monthly, 3
- Mortgage, 3
- Mortgage-backed securities (MBSs), 8–9, 40
- Multiagency, 28

- Multinationals, 28–30
- Narcotic, 99
- Narcotic traffickers, 6–7
- NASD, 15–16
- Nat West, 103–104
- National Crime Agency (NCA), 16–17
- National Criminal Intelligence Service (NCIS), 7–8
- National Futures Association (NFA), 28
- Net banking services, 45
- Net Stable Funding Ratio (NSFR), 28–30
- Non-Conviction Based Asset Forfeiture (NCB Asset Forfeiture), 8
- Nonprofit organizations (NPOs), 64, 102, 110
- Obligation, 3
- Office of Foreign Assets Control (OFAC), 64, 99, 107, 110
- Office of the Comptroller of the Currency (OCC), 3, 27–28
- Office of Thrift Supervision (OTS), 3, 27–28
- Offloading, 64
- Offshore trust account, 7–8
- Omnibus accounts, 7–8
- Onboarding, 5
- Online payments, 45
- Palermo and Anti-Terrorist Financing Conventions, 99
- Penalties, 3–4
- Petróleos de Venezuela, S. A. (PdVSA), 109
- Politically exposed persons (PEPs), 38
- Portfolio, 5
- Power of Attorney (POA), 7–8
- Predatory lending, 8–9
- Preventative, 5
- Proceeds of Crime Act 2002 (POCA 2002), 16
- Product risk, 7–8
- Programming logic, 17–18
- Public sector banks (PSB), 39–40
- Qualitative e-Delphi study, 11–12
- Quantitative models, 27–28
- Quarterly, 28–30
- Real Estate Settlement Procedures Act of 1973, 24–25
- Recession, 3
- Redlining, 3
- RegTech, 127–129
- Regulator, 3
- Regulatory, 3
- Regulatory arbitrage, 30–35
- Regulatory capital, 9–10
- Regulatory compliance laws, 3
- Regulatory impact assessment (RIA), 30–35
- Reputation risks, 5
- Residential, 3
- Resolution plan, 28–30
- Respectable risk culture, 114
- Risk, 3
- Risk assessment, 7–8
- Risk committee, 28–30
- Risk rating, 37–38
- Risk weighting system, 40
- Risk-Based Approach (RBA), 7–8, 126–127
- Risk-based capital (RBC), 9–10, 40, 75–76
- Risk-weighted assets (RWAs), 75–76
- Sanctions, 99
- Sarbanes-Oxley Act 2002 (SOX), 24–25
- Scorings, 126–127
- Second line of defense, 126
- Securities and Exchange Commission (SEC), 30
- Securities Dealers, 4–5
- Senior management, 114
- September 11 attack, 100
- Shadow banks, 30–35
- Shell, 38–39

- Shurat HaD, 103–104
- Significant financial institutions (SIFI), 28–30
- Silos, 45–46
- Smuggling, 4–5
- Society for Worldwide Interbank Financial Telecommunications (SWIFT), 15–16, 65–66, 104
- Sovereign debt, 38
- Specially Designated Nationals (SDNs), 99–100, 107
- Stress test, 27–28, 113–114
- Surveillances, 45
- Suspicious Activity Report (SAR), 5–6, 15–16, 38–39, 60, 64–66
- Suspicious Transaction Reports (STRs), 17–18, 37–38, 67, 72
- Swap dealer, 15–16
- Systematically important financial institutions (SIFIs), 24–25, 51–52, 75–76
- Systemic risk, 11
- Systems, 3–4
- Tax fraud, 15–16
- Terrorist, 3
- Terrorist attack, 3–4
- Third line of defense, 19–21
- Tier 1, 28–30
- Timely reporting, 5
- Tone at the top, 114
- Too-big-to-fail (TBTF), 28
- Trade with the Enemy Act (TWEA), 99–100, 108
- Trade-based Money Laundering (TBML), 39–40
- Trading with Enemy Act (TWEA), 6–7
- Training, 89
- assurance practices, 93
- compliance practices on cyber security teams, 94–95
- internal control practices, 90–91
- risk management practices, 91–92
- TransUnion Company, 107
- Trump Presidency, 110–111
- Trusts, 7–8
- Truth-in-Lending Act (TILA) of 1968, 8–9, 24–25
- Turmoil, 113
- UBS, 103–104
- UK banks, 16
- United Nations, 16
- US Agency for International Development (USAID), 110–111
- US Bank Secrecy Act (BSA), 38–39
- US Food and Drug Administration (FDA), 110
- US government agencies, 3
- US jurisdiction, 110
- US law enforcement agencies, 3–4
- US President Biden Administration, 109
- US sanctions, 109
- US Treasury, 109
- US Troubled Asset Relief Program (TARP), 28
- Vector Autoregression (VAR), 51–52
- Violations, 5
- Virtual currencies, 45
- White-collar crimes, 15–16
- Withdrawals, 37–38
- Workplace silos, 45–46