

# A Special Update: BSA/AML

IBAC Winter Luncheon  
Wednesday, December 6, 2017  
10:00am-1:30pm  
The City Club LA

Moderator:

**Walter J. Mix III**

Managing Director

Financial Services Practice Leader

Berkeley Research Group

Panelists:

**Gabriel Colwell**

Esq., Partner,  
Squire Patton  
Boggs

**Marc-Alain Galeazzi**

Esq., Of Counsel,  
Morrison Foerster

**Shirish Netke**

President & CEO  
Amberoon

**William Wilson**

President, CEO  
California Business  
Bank



**IBACAL.org**

International Bankers Association of California

**NACAB**

美華銀行公會

# SUMMARY

Practical Considerations

Current BSA/AML Issues

Heightened Expectations/ Regulatory Reform

Sanctions Update



**IBACAL.org**

International Bankers Association of California

**NACAB**

美華銀行公會

1

# Practical Considerations

- The big picture: Where is BSA/AML headed?
- Governance / ERM
- Board and management reporting/technology systems
- BSA/AML and cyber security
- Credit concentrations
- Foreign Exchange

# Practical Considerations Continued...

- Key success factors-culture, core competencies, change management
- Artificial Intelligence (AI)
- Creating competitive advantage at your bank

# Current BSA/AML Issues

- Beneficial ownership rule
- Cyber/BSA/AML connection-Mosack Fonseca (Panama Papers)
- Paradise Papers
- NY DFS Secs. 500 and 504
- Single platform for international operations?
- Outlook for regulatory reform for BSA/AML
- Regulatory climate/tone for BSA/AML

# Heightened Expectations/ Regulatory Reform

- People are policy
- Treasury regulatory reform reports
- The Clearinghouse Proposal
- Fincen
- NY DFS- Section 504
- GTOs

# Sanctions Update

- Current policy on sanctions
- What we have learned?
- Summary by country: Asia, Middle East, South America, Africa
- Sanctions outlook: Expected to change?



# Artificial Intelligence (AI)

- More efficient and effective risk management
- Regulatory Expectations
- Governance/tailoring to risk profile
- System of insight
- Reducing false negatives and positives
- Staffing required to succeed
- Marketing Capabilities
- Competitive Advantage/Franchise Value

# Conclusion

Thank you!

Questions?

# Thank you to our sponsors!



# A Panel on: Compliance Hot Topics

IBAC Winter Luncheon  
Wednesday, December 6, 2017  
10:00am-1:30pm  
The City Club LA

Moderator:

**David Abshier**  
Managing Director  
Berkeley Research Group

Panelists:

**Frida Bank**  
EVP,  
Head of Risk Management,  
CTBC Bank

**Michele Gil**  
Managing Partner,  
Chrisman & Company

**Doug Krause**  
General Counsel,  
Chief Risk Officer,  
East West Bank

**Michelle De Lorier**  
SVP, Compliance Officer,  
Community Bank



**IBACAL.org**  
International Bankers Association of California



# The evolution of Compliance Risk Management

- **Technology**
- **Changing Compliance Risk Profile – Products, Services and M&A**
- **Compliance Officer – Changing Qualifications & Skill Sets**
- **Selection and Staffing of appropriate Resources**
- **Accountability/Authority/Certifications**
- **Board Governance**

# Examiner Concerns/Points of Interest

- **System Setting Validation – Products and Services**
- **Sales Generation Practices**
- **UDAAP**
- **Fair lending – Small Business/commercial loans**
- **Consumer Complaints – Aggregation, Governance & Resolution**

Conclusion!

Thank you!

Questions?



IBACAL.org

International Bankers Association of California

**NACAB**

美華銀行公會



*Thank you to our sponsors!*

