



COMMONWEALTH OF MASSACHUSETTS

Office of Consumer Affairs and Business Regulation

DIVISION OF BANKS

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February 24, 2017

To The Chief Executive Officer Addressed:

The Bank Secrecy Act and related federal and state law requirements are the first line of defense against financial crimes, and financial institutions play an important role in minimizing these risks. It is important that financial institutions are able to effectively identify, monitor and communicate Bank Secrecy Act/Anti-Money Laundering (BSA/AML) risk. For many institutions, particularly small, non-complex institutions, these requirements command significant compliance resources.

To help manage new and evolving risks associated with BSA/AML, state regulators have worked with the Conference of State Bank Supervisors to develop, pilot and release the new BSA/AML Self-Assessment Tool (Assessment Tool) for the banking industry.

In the development of the Assessment Tool, state regulators worked to balance standardization and flexibility. Accordingly, this Assessment Tool is intended to help each institution have a consistent framework for assessing and communicating internally about their BSA/AML risk management program in a format that is customizable to each institution's risk profile.

This Assessment Tool is a voluntary supplement to your institution's existing BSA/AML risk management program and may be used at your institution's discretion. I urge you to consider ways the Tool can be of benefit to your program.

The Conference of State Bank Supervisors has made this Assessment Tool and supplemental documents for using the Tool available on its website at:

<https://www.csbs.org/regulatory/resources/Pages/JobAids.aspx>.

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If you have questions, comments, or feedback about the Tool, please contact Chief Director of Credit Union Supervision Andrea L. Cipolla at Andrea.Cipolla@state.ma.us or (617) 956-1532.

As the Massachusetts Division of Banks continues to find ways to improve risk management efficiency and reduce associated regulatory burdens, we seek your cooperation in making the delivery of financial services as safe as possible to the consumers of the Commonwealth of Massachusetts.

Sincerely,



Terence A. McGinnis
Commissioner of Banks