

# AML ACT of 2020

## 5 KEY TAKEAWAYS

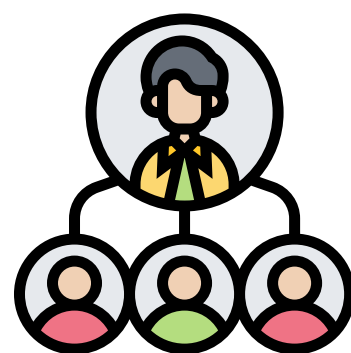
### Broadens Definition of Financial Institution

In addition to traditional financial institutions, many provisions of the AML 2020 Act also apply to travel agencies, casinos, pawnbrokers, and other businesses. The new definition of financial institution includes any person or business who engages, as a business, in the transmission of “value that substitutes for currency,” thereby including as currency virtual currency such as cryptocurrency (bitcoin and stablecoin) and stored value cards.



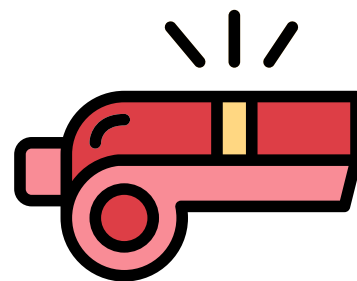
### Adds Beneficial Ownership Reporting Requirements for "Reporting Companies"

Many US companies — including corporations, limited liability companies, and foreign companies registered to do business in the United States — are for the first time required to disclose to the government their beneficial owners. Specifically, US companies must submit such information to FinCEN, which will be responsible for creating and maintaining a non-public national database to house information on beneficial ownership.



### Expands Whistleblower Incentives and Protections

The AML Act of 2020 allows for awards of up to 30% of the collected money for original information — provided that leads to resulting monetary sanctions recovered through BSA/AML enforcement actions. The new Act also provides additional protection to employees who report suspected AML violations from employer retaliation or discrimination and enables whistleblower employees to sue their employers for compensatory damages, reinstatement, and other recourse.



### Increases Government Resources Committed to AML

The Act establishes special hiring authority for FinCEN and the Office of Terrorism and Financial Intelligence. It creates a number of unique roles, including FinCEN domestic liaisons and foreign intelligence unit liaisons, Treasury attachés, and BSA “Innovation Officers” and “Information Security Officers” at FinCEN and other federal regulators. These reforms may not directly impact financial institutions; however, the increased focus and sophistication in addressing money laundering may result in additional inquiries from law enforcement, regulations, and guidance.



### Establishes National AML Priorities That Will Feed Into Examinations

The Secretary of the Treasury must declare “public priorities for anti-money laundering and countering the financing of terrorism policy” within 180 days after the law’s enactment. FinCEN will have 180 days after the priorities are released to promote rules to carry out these priorities. Institutions will then be required to “review” and “incorporate” the priorities into their AML programs, which will be a measure “on which a financial institution is supervised and examined.”

