



Department of the Treasury Financial Crimes Enforcement Network

Advisory

FIN-2011-A001

Issued: January 20, 2011

Subject: Guidance to Financial Institutions on Recent Events in Tunisia

The Financial Crimes Enforcement Network (FinCEN) is issuing this Advisory to U.S. financial institutions to take reasonable steps to guard against the potential flow of illicit assets that may be related to the current political and social unrest in Tunisia and abrupt changes in the government in Tunisia.¹ FinCEN is issuing this Advisory to remind U.S. financial institutions of their requirement to apply enhanced scrutiny for private banking accounts held by or on behalf of senior foreign political figures² and to monitor transactions that could potentially represent misappropriated or diverted State assets, proceeds of bribery or other illegal payments, or other public corruption proceeds originating in or diverted from Tunisia. Financial institutions should be aware of the possible impact that political and social unrest in Tunisia may have on patterns of financial activity in the region when assessing risks related to particular customers and transactions.³

Guidance

If a financial institution knows, suspects, or has reason to suspect that a transaction relating to senior foreign political figures involves funds derived from illicit activity, if the transaction appears to have no business or lawful purpose, or if a customer has engaged in activities indicative of money laundering, terrorist financing, or any other violation of federal law or regulation, the financial institution must file a Suspicious

¹ On January 16, 2011, the U.S. State Department issued a travel warning as a result of the political and social unrest in Tunisia. [For the latest information from the United States Department of State regarding developments in Tunisia, please see http://travel.state.gov/travel/cis_pa_tw/pa/pa_5336.html.]

² See, 31 CFR 103.178(c) and 31 CFR 103.175(r) “Senior foreign political figure” means a current or former senior official of a foreign government or of a major foreign political party; a senior executive of a foreign government-owned commercial enterprise; a corporation, business, or other entity that has been formed by, or of the benefit of, any such individual; the immediate family members of any such individual; and a person who is widely and publicly known (or is actually known by the relevant covered financial institution) to be a close associate of such individual. For the purposes of this definition, “senior official or executive” means an individual with substantial authority over policy, operations, or the use of government-owned resources and “immediate family member” means spouses, parents, siblings, children and a spouse’s parents and siblings.

³ Separately, the Financial Intelligence Unit of France recently alerted the French financial community with respect to concerns about transactions potentially being conducted directly or indirectly by present and former Tunisian officials, and highlighting requirements with respect to the reporting of transactions involving substantial currency withdrawals, sales of precious metals, stones, and jewels, and overseas wire transfers. See, <http://www.tracfin.bercy.gouv.fr/>.

Activity Report (SAR).⁴ Additionally, covered financial institutions are reminded of the regulations implementing section 312 of the USA PATRIOT Act, (312 U.S.C. 5318(i)), which require a written due diligence program for private banking accounts held for non-U.S. persons designed to detect and report any known or suspected money laundering or other suspicious activity.⁵ In instances where senior foreign political figures maintain private banking accounts at a covered institution, those financial institutions are required to apply enhanced scrutiny of such accounts to detect and report transactions that may involve the proceeds of foreign corruption.⁶

In April 2008, FinCEN issued Guidance to assist financial institutions on reporting suspicious activity regarding proceeds of foreign corruption. That Guidance also highlights potential indicators of transactions that may be related to proceeds of foreign corruption.⁷ Financial institutions may find this Guidance useful in assisting with suspicious activity monitoring and due diligence requirements related to senior foreign political figures.

Questions or comments regarding the contents of this advisory should be addressed to the FinCEN Regulatory Helpline at 800-949-2732.

⁴ See, e.g., 31 CFR 103.18.

⁵ See, generally, 31 CFR 103.178.

⁶ 31 CFR 103.178(c).

⁷ See, “Guidance to Financial Institutions on Filing Suspicious Activity Reports Regarding the Proceeds of Foreign Corruption,” FIN-2008-G005 (April 17, 2008).

http://www.fincen.gov/statutes_regs/guidance/html/fin-2008-g005.html.