

Anti-Money Laundering

From the largest global financial institutions to the internet frontier, Pillsbury lawyers counsel clients in addressing the AML challenges confronting their business. Our deep and experienced team spans the globe and covers the many disciplines crucial to AML matters—financial regulation, compliance, enforcement, investigations, and international policy.

In an age of deepening multilateral commitments and increasing enforcement coordination, we help our clients understand the interplay of traditional AML rules, sanctions policies, counter-terrorism and counter-proliferation efforts, anti-corruption sensitivities and ever-changing technology. Our lawyers bring experience as former government compliance officials, prosecutors and private banking counsel that is critical to understanding how best to advise clients in these sensitive matters.

Global AML Capacities

U.S. Anti-Money Laundering Law

AML regulation continues to evolve and the definition of “Financial Institution” continues to expand. We advise a diverse range of clients on FinCEN rules and reporting, Bank Secrecy Act and USA PATRIOT Act matters, sanctions, emerging online and digital issues, and criminal AML statutes and enforcement. We also advise on New York state financial regulation and enforcement actions.

- **Federal Financial Regulation.** In addition to FinCEN, we work extensively with the Federal Reserve Board, Treasury Department, Comptroller of the Currency, Federal Deposit Insurance Corporation, Office of Thrift Supervision, Securities and Exchange Commission and Commodity Futures Trading Commission.

- **Enforcement.** Pillsbury attorneys have extensive experience in representing financial institutions and their officers and directors in a wide variety of regulatory enforcement actions, internal compliance matters, criminal investigations and related civil litigation. We also advise on U.S. criminal anti-money laundering laws and the Bank Secrecy Act in the context of transactions, funds and financing.
- **Sanctions.** The firm’s leading U.S. and global sanctions practice helps clients to address sanctions issues in the AML context and liaison with Treasury’s Office of Foreign Assets Control (OFAC). U.S. sanctions policies can have a dramatic impact on the activities of financial Institutions (U.S., multinational or non-U.S.) and other businesses. We also advise clients on the overlap of OFAC sanctions and FinCEN “special measures” imposed on jurisdictions and banks.
- **AML in the Online World.** We advise clients at the cutting edge of AML policy in the digital age—FinTech, virtual currency, online financial business matters, privacy and data security. This includes addressing AML laws, regulations and compliance obligations including, but not limited to, devising, implementing and maintaining an AML compliance program with required policies, procedures and controls. We also assist clients in conducting risk assessments in the AML context.

This includes AML challenges relating to electronic banking, prepaid and gift cards, electronic payments, e-commerce, and online gambling.

EU and UK Anti-Money Laundering Laws

Throughout the European Union (EU), and particularly in the United Kingdom (UK), AML requirements are becoming increasingly complicated and comprehensive. Our attorneys, including qualified English solicitors, are constantly monitoring AML developments and providing client advice in this area. Attorneys from our London office regularly liaise with the Financial Conduct Authority (FCA) on regulatory, compliance and transactional matters. Our attorneys can provide guidance in the UK on the Proceeds of Crime Act 2002, Terrorism Act 2000, Money Laundering Regulations 2017, Sanctions and Anti-Money Laundering Act 2018 and any amending legislation or regulations. We also monitor European Commission AML Directives and their impact on national legal regimes within the European Union.

Our attorneys are also monitoring the soon-to-be-effective replacement of the FSA by two new regulatory bodies: the Prudential Regulation Authority (PRA) and Financial Conduct Authority (FCA). We also monitor European Commission AML Directives and their impact on national legal regimes within the European Union.

Asia and Latin America Anti-Money Laundering Laws

Pillsbury's Beijing, Hong Kong, Shanghai and Tokyo offices offer experience in financial and AML rules in China and Japan. Our Korea and Myanmar/Burma practice specialties also can offer AML support relating to either of those countries. Finally, we have broad experience in India and an established network of local law firms to address AML and financial regulatory issues.

Our Latin America team has experience throughout the Americas and can advise on AML issues that arise anywhere in the Western Hemisphere. Our attorneys regularly practice in Spanish and Portuguese and have a deep understanding of the culture and sensibilities of this region.

Financial Action Task Force (FATF)

We are long-standing observers of FATF policy trends and their effects on national AML policies around the world. The FATF has quietly become one of the more influential institutions in the global financial system. Via its "FATF Recommendations" (previously the "40 recommendations") it sets standards for AML, the counter-terrorist-financing and counter-proliferation policy, as well as for how governments cooperate and share information to combat AML, sanctions and anti-corruption challenges. The FATF also assesses compliance by nations with its recommendations and identifies countries that present risks or require counter-measures—both of which can impact banks and businesses active in, or having clients or correspondent accounts from, such jurisdictions.

Addressing AML Challenges

- **Compliance Planning.** We frequently advise our clients on compliance planning to address AML, sanctions and other regulatory challenges. On the AML side, this includes devising, implementing and/or adjusting policies, procedures and controls while developing appropriate risk-based approaches. Our multi-disciplinary insights allow us to help clients integrate AML compliance policies and identify issues that may affect particular clients or industries.
- **Internal Investigations.** Our financial, regulatory and white collar teams have the capacity to plan and execute sensitive investigations in the United States and around the world.
- **Transactions and Due Diligence.** We support funds, financial institutions, private equity groups, and traditional businesses in addressing AML and related challenges in the context of transactions. These are key deal-risk issues and we offer clients both legal knowledge and practiced judgment in the transactional context.
- **White Collar Defense.** Should regulators, prosecutors, government investigators or legislative committees probe our client's activities, our team has the capacity to advise, prepare and defend our clients.

Representative Anti-Money Laundering Matters Compliance Planning

- Revised Know-Your-Customer (KYC) sanctions guidelines for leading global provider of business, legal, and financial services.
- Assisted numerous money transmitters in compliance with BSA, AML and OFAC regulations, including but not limited to assisting on risk analysis and implementing policies and procedures.
- Provided on going advice on AML compliance and considerations while building various payment and blockchain- related products and services.
- Provided advice to Middle Eastern free trade zone regarding improvement of their AML and sanctions compliance programs, including a review of best practices among “off-shore” and entity-forming jurisdictions in the wake of the Panama Papers revelations.
- Helped one of the world’s largest financial institutions prepare AML compliance policies to address foreign currency controls.
- Worked with the prepaid card business to audit AML policies and procedures. Reviewed and revised policies and procedures and put into place applicable remediation efforts.
- Advised a major U.S. regional bank regarding OFAC and AML compliance obligations with respect to maintaining accounts for Iranian Non-Resident Alien students in the United States.
- Obtained money transmitter licenses and assisted on related MSB Registration requirements for numerous companies.
- Assisted domestic and international escrow companies, money transmitters and money services businesses on compliance with BSA, AML and OFAC recordkeeping and reporting.
- Advised blockchain companies on federal and state BSA, money transmitter and bit-license requirements.
- Assisted retailers on compliance with BSA Prepaid Access Rules, as well as rewards and gift card programs.
- Assisted gaming and gambling companies on compliance with BSA in relation to virtual currency or closed loop.
- Advised cruise line with gambling operations on various aspects of U.S. anti-money laundering rules including casino AML programs, currency transfer, money services business, customer due diligence and other matters.
- Provided advice to multiple banks in Cyprus regarding improving their AML and sanctions compliance programs.
- Advised multiple Thai banks on anti-money laundering and sanctions considerations for lending and transactions in Myanmar.
- Conducted compliance review for Swiss bank focusing on anti-money laundering issues.
- Advised non-U.S. bank on the applicability of U.S. AML rules on its affiliated U.S. investment advisory firm.
- Advised large U.S. leasing and finance company with a Japanese parent on its AML policies related to equipment purchase and export transactions.
- Advised a client on the AML and sanctions compliance policies of subsidiary online-payment and prepaid-card businesses.
- Assisted on KYC, Customer Identification Program (CIP) and Enhanced Due Diligence (EDD) reviews and programs.
- Conducted due diligence, including but not limited to BSA, AML and OFAC compliance of potential targets or partners

Investigations

- Advised prior shareholder of a Swiss banking institution on exposure associated with various DOJ global money laundering investigations, including FIFA, 1MDB, Panama Papers, Petrobras and PDVSA.
- Represented major international financial institution in money laundering investigation involving correspondent bank accounts of offshore bank entity; no criminal or enforcement action was ultimately pursued.
- Represented a prominent multinational bank in parallel investigations of alleged terrorist financing and money laundering by the U.S. Department of Justice and Office of the Comptroller of the Currency; devised enhanced internal controls, including additional know-your-customer rules for correspondent accounts.

International Trade

- Represented major international financial institutions based in the UK and the Netherlands in various DOJ and NY district attorney investigations.
 - Represented a publicly traded payment processor in a criminal grand jury investigation involving the United States Attorney's Office in the Southern District of New York regarding the processing of transactions for "e-wallets." An "e-wallet" is an online merchant that allows customers to deposit, withdraw and transfer funds to pay for their online purchases.
 - Represented multiple relationship managers in connection with a Panama Papers investigation.
 - Represented major international financial institution in DOJ forfeiture action involving correspondent bank accounts; forfeiture was vacated.
 - Represented major financial institution in investigation of alleged senior mismanagement of subsidiary fraud.
 - Represented a money/check processor in connection with a Department of Justice investigation of money laundering and online gambling; no criminal or enforcement action was ultimately pursued.
 - Acted as co-counsel for large international bank on criminal and civil BSA and AML charges and forfeiture actions.
 - Defended large international money transmitter on criminal and civil BSA and AML charges.
 - Represented banks in BSA/AML examinations and potential regulator actions by bank examiners, including OCC, FDIC and state banking authorities.
 - Assisted banks and non-banks on obligations to comply (and limitations on such obligations) to law enforcement demands for information.
 - Assisted money transmitters in connection with seizures of funds by federal and state law enforcement agencies.
 - Provided advice to multiple banks in Cyprus regarding improving their AML and sanctions compliance programs.
 - Advised the Ras Al Khaimah Investment Authority on the sale of the Poti FIZ to the Government of Georgia.
 - Provided advice to Middle Eastern free trade zone regarding improvement of their AML and sanctions compliance programs, including a review of best practices among "off-shore" and entity-forming jurisdictions in the wake of the Panama Papers revelations.
 - Represented major international financial institution in money laundering investigation involving correspondent bank accounts of offshore bank entity; no criminal or enforcement action was ultimately pursued.
 - Advised non-U.S. bank on the applicability of U.S. AML rules on its affiliated U.S. investment advisory firm.
 - Advise client on AML, sanctions and other legal issues for opening of new FinTech payments services in Russia and Turkey, and third-party payment and ticket services in the United States.
 - On behalf of the Association of Cyprus Banks (the trade association for banks in Cyprus), managed a large-scale image campaign to educate U.S. regulators about improvements in Cyprus' AML and sanctions compliance framework.
 - Represented a number of Swiss banks in a program led by the DOJ and the Internal Revenue Service to identify violations of US tax laws, with a specific focus on US-related accounts held at those banks. After conducting comprehensive internal investigations, we succeeded in negotiating non-prosecution agreements for each of these banks. The Swiss Banks voluntarily participated in this program that is officially known as the Program for Non-Prosecution Agreements or Non-Target Letters for Swiss Banks.
 - On behalf of the Cayman Islands Ministry of Financial Services and Home Affairs, spearheaded a campaign to educate U.S. lawmakers regulators about Cayman's robust financial regulatory regime and its tax transparency framework, while dispelling outdated and inaccurate perceptions of Cayman as a secrecy jurisdiction.
- Representative Experience in Cyprus, the Cayman Islands, Switzerland and Ras Al Khaimah**
- Experience with cross-border transactions involving numerous countries, including Australia, Bahrain, Canada, the Cayman Islands, China, Dubai, Egypt, France, Belgium, Germany, Honduras, India, Israel, Jordan, Luxembourg, Malaysia, the Netherlands, Pakistan, the Philippines, Saudi Arabia, Serbia, Singapore, Spain, Switzerland and Turkey.

- Represented a former Central American FIFA soccer officer in a widely-publicized international DOJ investigation involving allegations of cross-border money laundering and fraud related to the sale of TV and other media rights for World Cup soccer matches in Central America.
- Represented a former employee of a money processor in connection with a DOJ investigation for international money laundering allegedly involving operations in Panama, the United States, the United Kingdom and India.
- Represented major international financial institution in money laundering investigation involving correspondent bank accounts of offshore bank entity; no criminal or enforcement action was ultimately pursued.

About Pillsbury

Pillsbury Winthrop Shaw Pittman LLP is an international law firm with a particular focus on the technology & media, energy, financial services, and real estate & construction sectors. Recognized as one of the most innovative law firms by *Financial Times* and one of the top firms for client service by BTI Consulting, Pillsbury and its lawyers are highly regarded for their forward-thinking approach, their enthusiasm for collaborating across disciplines and their authoritative commercial awareness.

Global Trade & Sanctions Law Blog

For news and insights on all issues related to international trade and sanctions activity, please visit our blog at www.globaltradeandsanctionslaw.com

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