



AML Advisor

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We have been serving the precious metals and jewelry industries for thirty years.

We will be here for ongoing advice and to update our AML programs...free of charge.



Contact Us

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SAR's

The importance of Suspicious Activity Reports was a central theme at the recent Bank Secrecy Act Advisory Group meeting with FinCEN. For the precious metals industry, filing SARs is not required but is "encouraged."

Will FinCEN's focus on SARs signal mandatory filings for the precious metals industry? Hard to say, but FinCEN has received very few SARs from our industry—zero might be a good estimate.

Movement on the AML Final Rule

The "Interim Final" Rule for Precious Metals, Stones and Jewels is inching its way toward becoming just plain "Final." On March 10, 2008 FinCEN issued a Guidance elaborating on the special importance of a risk-based anti-money laundering program for foreign counterparts. The underlying purpose was to deal with Israel's objection that the retail exemption for jewelers discriminates against non-U.S. vendors. The issue became politically turgid and took priority over other items pending in the Rule, but the Guidance appears to be the final word.


We can now expect a ruling on whether silver is to be covered as a precious metal and on a couple of the other loose ends. When? Well, summer is almost here, then the budget process will loom, then the new administration ...

Meanwhile, here is the ruling on foreign suppliers in a nutshell: If a retailer buys from a U.S. company with an anti-money laundering program, it is excluded from the due-diligence requirements. If a jeweler buys more than \$50,000 a year from the general public or from suppliers without AML programs, it must establish an AML program to cover those sources. Foreign suppliers cannot be covered by a U.S. AML program, so the exclusion cannot apply to them.

The Guidance suggests, when formulating an AML program for foreign suppliers, U.S. retailers should (1) take into account the rules of the country in which the supplier operates, (2) whether there is a supervisory body regulating the industry, (3) the retailer's history with the supplier and (4) the degree of risk inherent in the transactions with the supplier. The retailer should gear its AML program to the money laundering risk the supplier presents.

You can see the complete text at http://www.fincen.gov/statutes_regs/guidance/pdf/fin-2008-g003.pdf

Questions? Do you need to know more about how to set up or improve your anti-money laundering program? Training courses? AML audits? We can help. And our precious metals and jewelry industry professionals are also accredited by the Association of Certified Anti-Money Laundering Specialists (ACAMS).



**Call me, Mike Riess, at: (203)661-6715 or reach me by e-mail
at: MRIESS@MAT-MGT.COM**

To find out more about the Patriot Group of Materials Management Co. and about our AML programs and services, visit our website at: WWW.MATERIALSMANAGEMENT.NET. There you'll also find the final regulations and a wealth of background information.

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Watch for future issues of the AML Advisor!

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