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Commissioner

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INDUSTRY NOTICE 2021-02

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Additional Anti-Money Laundering Program Requirements and Participation in 314(a) Program for Texas State-Chartered Public Trust Companies

On September 15, 2020, the Financial Crimes Enforcement Network (FinCEN) issued a [final rule](#) that took effect on November 16, 2020, with a compliance date of March 15, 2021. The rule implements sections 352, 326, and 312 of the USA PATRIOT Act of 2001 and removes the anti-money laundering (AML) exemptions for banks that lack a federal functional regulator. Financial institutions impacted by this final rule include state-chartered **trust companies** engaging in business with the public.

In accordance with the final rule, public trust companies under the Texas Department of Banking's supervision must meet the following AML requirements:

- Implementation of an AML program;
- Compliance with customer identification program (CIP) requirements; and
- Compliance with beneficial ownership requirements.

Most trust companies under the Department's supervision have executed programs that meet these requirements. However, there may be certain aspects of the programs that are either not fully implemented or not implemented at all. **Trust companies that have not yet put these programs and processes into effect should do so.**

Financial institutions, as defined in 31 CFR Chapter X and 31 U.S.C. § 5312(a)(2), including Texas state-chartered public trust companies, are required to participate in FinCEN's information sharing program under Section 314(a) of the USA PATRIOT Act. The Act enables law enforcement agencies, through FinCEN, to reach out to financial institutions to locate accounts and transactions of persons that may be involved in terrorism or money laundering.

To perform these 314(a) searches, Department-supervised public trust companies must be registered with FinCEN to obtain the list of persons or entities potentially involved in terrorism or money laundering. The Department will facilitate the registration process for these trust companies and provide instructions by letter.

Questions regarding the requirements of the final rule or participation in the 314(a) program should be directed to the Director of Examination Support Activities Chris Robinson via [email](#) or at (512) 475-1329.