

CUSTOMER DUE DILIGENCE CHECK-LIST

NEW CDD REQUIREMENTS EFFECTIVE MAY 11, 2018		
THIRD-PARTY PROCESSOR	YES	NO
<p>If you use a third-party processor for AML/BSA compliance:</p> <ul style="list-style-type: none"> • Have you ensured that your processor is aware of the new information and monitoring requirements? • Have you ensured that your processor will have your system updated no later than May 11, 2018? • Have you ensured that your processor can incorporate your beneficial owner certification form into your electronic records system? • Have you ensured that your suspicious activity tracking software has incorporated the new information you are now collecting from your legal entity accounts? 		
IDENTIFICATION & CERTIFICATION:	YES	NO
<p>Have you determined how your credit union will identify the beneficial owners of your legal entity accounts? (ie: use the Certification form in the rule, develop your own form, etc)</p>		
<p>Have you done at least one of the following?</p> <ul style="list-style-type: none"> • Incorporated the certification form that is provided in the regulation into your policies, procedures, and electronic system? • Incorporated your own form developed to certify beneficial owners of legal entity accounts into your policies, procedures, and electronic system? • Developed and incorporated into your policies, procedures and electronic system – another way to collect beneficial ownership information? 		

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PROCEDURE UPDATES	YES	NO
<p>Account opening: Have you updated your account opening procedures to include identification of the beneficial owners of your business and other legal entity accounts?</p>		
<p>MIP: Have you updated your MIP procedures to include the methods you will use to verify beneficial owners of your legal entity accounts?</p>		
<p>Recordkeeping: Have you updated your recordkeeping procedures to include the recording and maintaining of information collected to identify and verify the beneficial owners of your legal entity accounts?</p>		
<p>Record retention: Have you updated your record retention programs to ensure that the records related to the identification (5 years from account opening) and verification (5 years after record is made) of the beneficial owners of your legal entity accounts will be retained?</p>		
<p>Internal Controls: Have you updated your AML/BSA internal control procedures to meet the requirements of this new rule?</p>		
<p>Independent Testing: Have you updated your AML/BSA independent testing procedures to include the identification and verification of beneficial owners of legal entity accounts?</p>		
<p>Risk Assessment: Have you updated your AML/BSA risk-assessment procedures to include the necessary steps to understanding the nature and purpose of your legal entity accounts?</p>		
<p>Suspicious Activity Monitoring: Have you ensured that your AML/BSA suspicious activity monitoring procedures incorporate the new information you are now collecting from your legal entity accounts?</p>		
<p>Higher Risk Accounts: Have you updated your AML/BSA procedures so that if the risk level of a legal entity account in existence prior to May 11, 2018 increases – you will, at that time, identify and verify the entity's beneficial owners?</p>		

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EXISTING CDD REQUIREMENTS		
GENERAL CDD PROCESS	YES	NO
Risk: Is your CDD process commensurate with your credit union's AML/BSA risk profile?		
Management's Expectations: Does your CDD process contain a clear statement of the credit union management's overall expectations?		
Staff responsibilities: Does your CDD process include a clear statement of management's expectations regarding staff responsibilities?		
Suspicious Activity Monitoring System: Does your CDD process require you to collect sufficient member information to determine whether a member's activity is "normal" vs. "suspicious"?		
Documenting CDD Analysis: Does your CDD process provide guidance for documenting analysis associated with the due diligence process?		
Current Member Information: Does your CDD process ensure that you maintain current member information?		
Understanding expected activity: Does your CDD process ensure that the credit union gains an understanding of each member's normal and expected transaction activity?		

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