PRACTICAL SUGGESTIONS FOR COMPLYING WITH THE DFS TRANSACTION MONITORING AND FILTERING REQUIREMENTS

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AGENDA

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Megan Gordon, Clifford Chance

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Donna Daniels, Ernst & Young LLP

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John Caruso, KMPG

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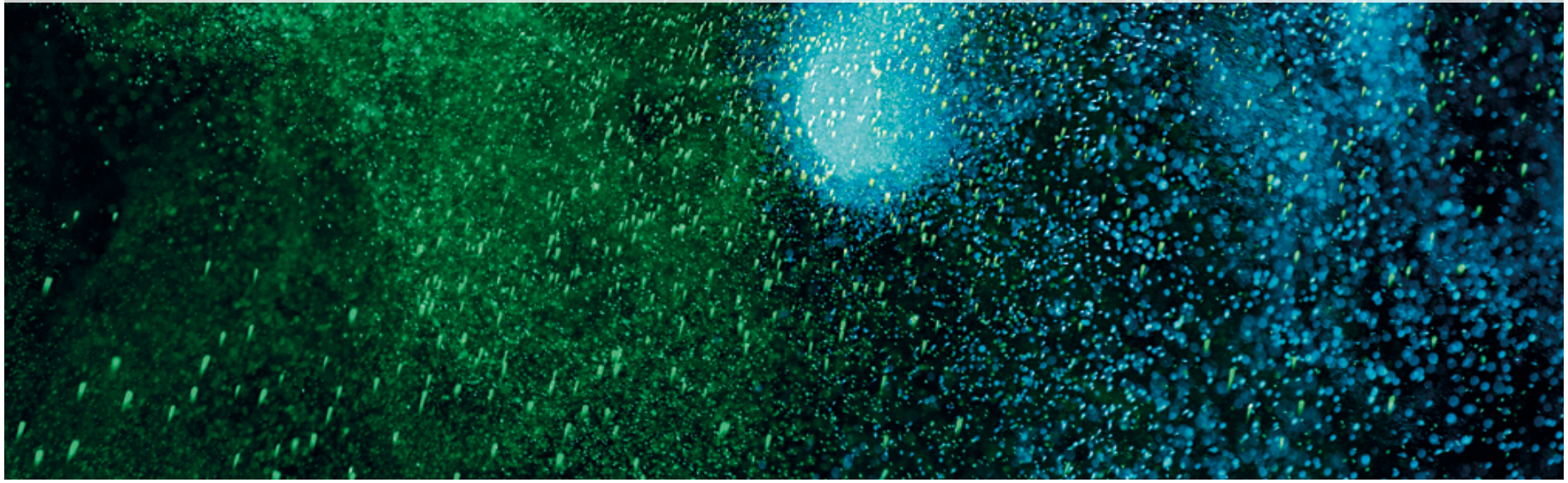
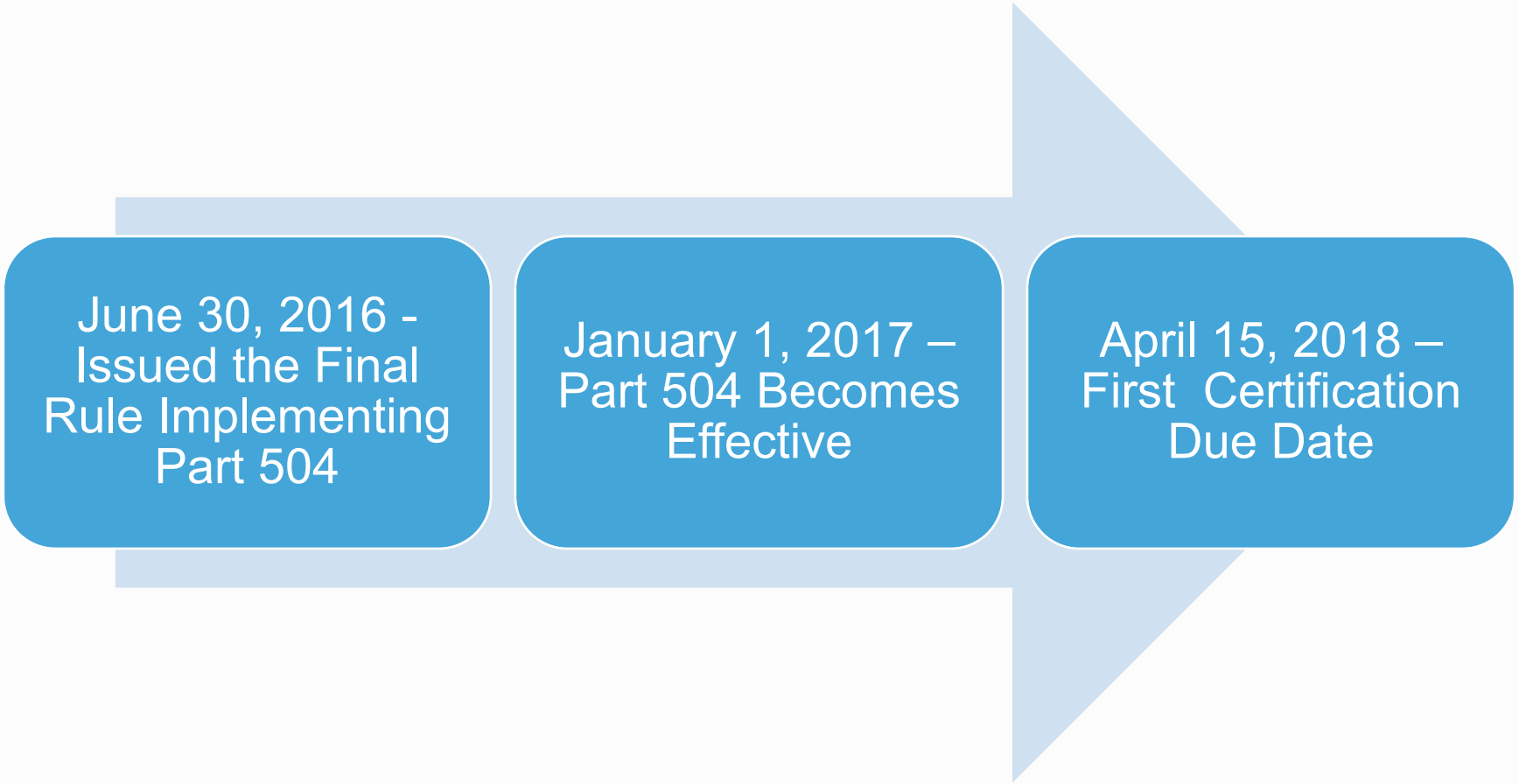
Connie Friesen, Sidley Austin LLP

INTRODUCTION



TIMELINE


June 30, 2016 - Issued the Final Rule Implementing Part 504
January 1, 2017 – Part 504 Becomes Effective
April 15, 2018 – First Certification Due Date

INSTITUTIONS COVERED BY PART 504

1. Banks
2. Trust Companies
3. Private Bankers
4. Savings Banks
5. Savings & Loan Associations
6. Branches and Agencies of Foreign Banks
7. Check Cashers, Money Transmitters

PART 504 OVERVIEW

"***Financial institutions doing business in New York must do everything they can to help stem the tide of illegal financial transactions that fund terrorist activity***" - **Financial Services Superintendent Maria T. Vullo**

COMMON REQUIRED ATTRIBUTES FOR THE TRANSACTION MONITORING PROGRAM AND THE FILTERING PROGRAM

Part 504 provides that, "to the extent applicable," each program shall include:

- identification of all data sources that contain relevant data;
- validation of the integrity, accuracy and quality of data to ensure that accurate and complete data flows through the program;
- data extraction and loading processes to ensure a complete and accurate transfer of data from its source to automated monitoring and filtering systems, if automated systems are used;
- governance and management oversight, including policies and procedures governing changes to the program to ensure that changes are defined, managed, controlled, reported, and audited;

COMMON REQUIRED ATTRIBUTES FOR THE TRANSACTION MONITORING PROGRAM AND THE FILTERING PROGRAM (CONTINUED)

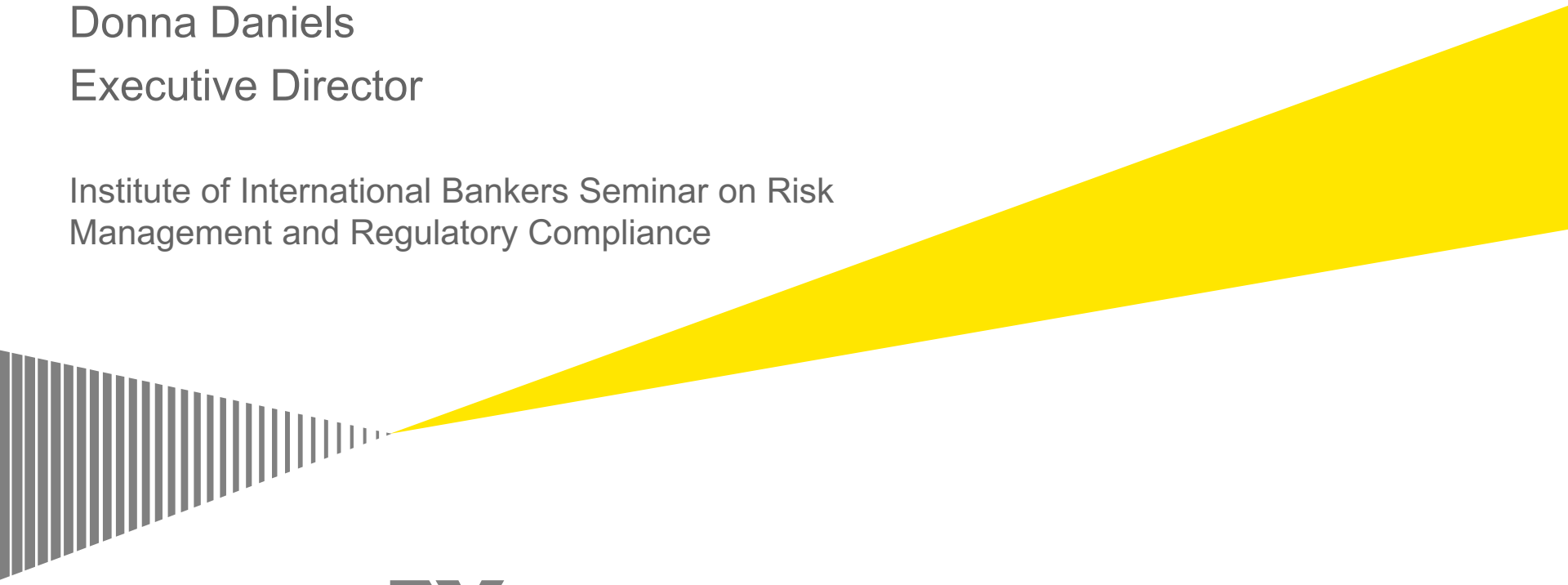
- vendor selection process if a third party vendor is used to acquire, install, implement, or test the program or any aspect of it;
- funding to design, implement, and maintain a program that complies with the requirements;
- qualified personnel or outside consultant(s) responsible for the design, planning, implementation, operation, testing, validation, and ongoing analysis of the program, including automated systems if applicable, as well as case management, review, and decision-making with respect to generated alerts and potential filings; and
- periodic training of all stakeholders with respect to the program.

Practical Suggestions and Impediments for Complying with DFS Regulation 504

Donna Daniels

Executive Director

Institute of International Bankers Seminar on Risk Management and Regulatory Compliance

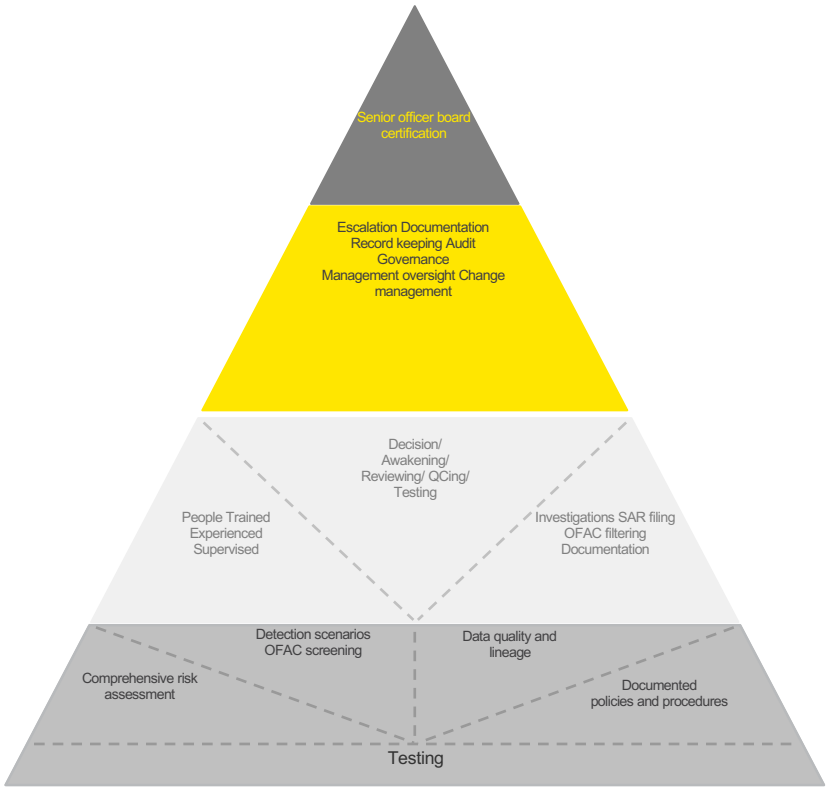


EY

Building a better working world

One Year Later ….

Components of transaction monitoring and filtering programs



Different functionalities across an institution have to seamlessly communicate and collaborate with each other in order to maintain effective transaction monitoring and filtering programs.

What hangs in the balance?

Instances of program deficiency or noncompliance may result in monetary fines or enforcement actions by the DFS.

Where are you in the process for 504 Compliance ?

Have you started?

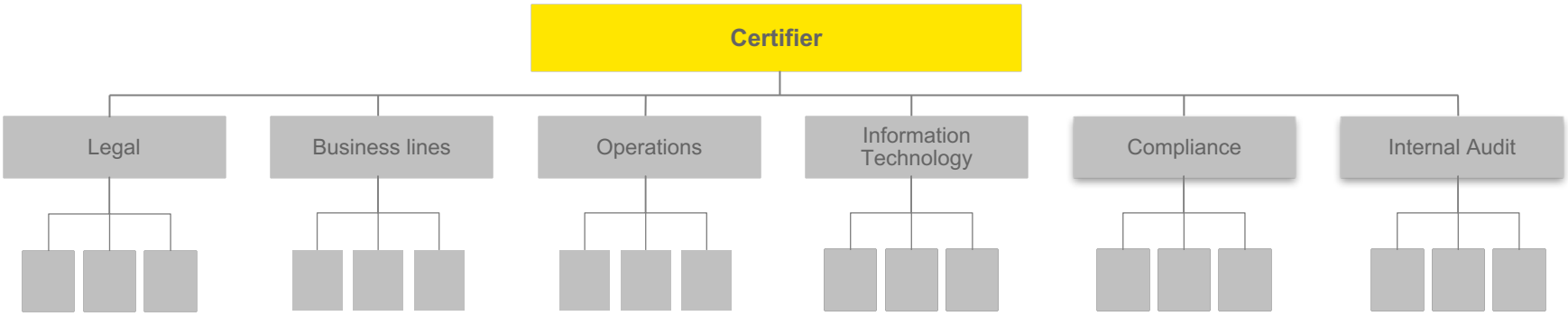
- Where are you in the process?
- Who is certifying? Do you have a timetable? What's the coordination with home-office?
- Do you really understand the flow and the time table to get you to certification?
- Did your comprehensive Risk Assessment find issues that were previously unknown and are taking longer to fix?
- What about issues that can't be certified in time? How do you deal with them?
- What happens if you changed systems or processes in the middle of the year? How do you certify?
- Home or Head office challenges. Where do systems and processes start and end? How do you determine the owners? What if there is disagreement?
- Will you have the necessary documentation audit trail?
- What about board notification at the end, what are institutions really doing?

The Certification Requirement

- Part 504 requires an annual certification, the first of which will be due by April 15, 2018.
- Part 504 refers to "Board Resolution" or "Compliance Finding," but in essence the requirement is a certification requirement provided to the best of the Board of Directors' or Senior Officer(s)' knowledge.
- The Senior Officer(s) making the required "Compliance Finding" is likely to be the CCO, potentially acting together with the Chief Operating Officer and/or the Chief Executive Officer of the institution, or office manager in the case of New York banking offices of foreign banks.
- Practically speaking what does this mean ?
  - Who is certifying?
  - How do you get there?
  - What's standing in the way?

The Certification Requirement

- Who is certifying, and why?
- What process/framework do you have built out to get you to certification?
- Challenges a year later
  - Staffing
  - Interdependencies across many departments and potentially offices
  - Areas that can't be certified
  - Home office / other department challenges



The Certification Requirement - Head Office Involvement

What about head office/ home office – Tone from the Top remains key focus

- How are they involved from a technical aspect?:
  - a. Data originates
  - b. Policies/procedures

- If they are not involved from a technical aspect, what is there role in 504?
  - a. Sub-certifier?
  - b. HO compliance committees that approve?

- Cultural challenges/involvement:
  - a. Difference in culture and involvement (China vs Japan vs French)
  - b. Recognition of importance

The Certification Requirement – Impediments and Support

- Issues that can't be certified in time - how do you deal with them?
  - Why can’t they be certified in time?
  - What is the plan to get them to a certifiable state?
  - When were they discovered and how?
  - Do you get points for finding them yourself in your risk assessment or model validation?
- What happens if you changed systems or processes in the middle of the year?
  - How do you certify? Do both systems have to be validated or just one? How are other institutions dealing with this?
  - What about flaws in the AML or Sanctions systems? How much is too much?
- Do you have the supporting documentation trail to support certification, sub-certification?
  - How / why did you determine something could be certified?
  - What role did independent audit or validation play?
  - What was the third party vendor selection process?

Additional Actions and Requirements

- Sustainability for next year – how do you best leverage from this year?
- Lessons learned
  - What to do – and not do again
- Educating and Informing the Board– even if not certifying
- What will the requirements be next year?

KPMG

Practical Suggestions for Complying with NYDFS Rule 504

Challenges of Data and Global Governance

John Caruso, Principal

DFS Part 504 Compliance –Data Requirements

504.3 (c) 1

Identification of all data sources that contain relevant data

Validation of the integrity, accuracy and quality of data to ensure that accurate and complete data flows through the Transaction Monitoring and Filtering Program

504.3 (c) 2

Data extraction and loading processes to ensure a complete and accurate transfer of data from its source to automated monitoring and filtering systems, if automated systems are used

504.3 (a) 5

End-to-end, pre-and post implementation testing of the Transaction Monitoring Program, including, as relevant, a review of governance, data mapping, transaction coding, detection scenario logic, model validation, data input and Program output

504.3 (d)

To the extent a Regulated Institution has identified areas, systems, or processes that require material improvement, updating or redesign, the Regulated Institution shall document the identification and the remedial efforts planned and underway to address such areas, systems or processes. Such documentation must be available for inspection by the Superintendent.

504.4

Annual Board Resolution or Senior Officer(s) Compliance Finding

Data Requirements cont..

504.3 Requirement

(c) 1.
"Identification of all data sources that contain relevant data"

"Validation of the integrity, accuracy and quality of data to ensure that accurate and complete data flows through the Transaction Monitoring and Filtering Program"

- **Key Data Elements (KDE) document** at the field level from each TMS / TFS ("relevant data"), including definitions, meta data
- A **systems inventory document** - listing of each system (upstream or intermediary) that houses one or more key data elements and the elements that they hold relevant to the TMS /TFS.
- **Data flow diagram(s)** to support the flow of information pertinent to the relevant data
- **Data dictionaries** to support key systems that feed data directly to the TMS or TFS
- **Data mapping documentation** between source systems and each hop for the KDEs to the monitoring system. Can take the form of:
  - Point-to-point system documentation
  - Cross-system data mapping documentation for each KDE, working backward from each KDE

Data Requirements cont..

504.3 Requirement

(c) 1.
"Validation of the integrity, accuracy and quality of data to ensure that accurate and complete data flows through the Transaction Monitoring and Filtering Program"

- **"Validation" - Data validation materials**
  - Annual validation scope performed by team, with the goal towards automating data validation activities as much as possible.
  - Scope of independent testing defined:
    - Data coverage review
    - Testing of key automated controls
    - Mapping tests, truncation, manipulation tests conducted
    - Tracing and reconciliation tests
    - Documentation review
  - Data validation reports.

Data Requirements cont..

504.3 Requirement

(c) 2.
"data extraction and loading processes to ensure a complete and accurate transfer of data from its source to automated monitoring and filtering systems, if automated systems are used"

- **Defined data standards for each KDE,** for example**,**
  - The data needs meet pre-defined data quality checks specific to the KDE;
  - Have mandatory fields vs. optional fields defined, and specific conditions when blank fields are accepted, etc**.**
- **Data extraction and loading processes**
  - Documentation regarding each ETL process
- **Documentary evidence of "processes to ensure a complete and accurate transfer," including:**
  - Reconciliation reporting and processes
  - point to point transfer controls,
  - Checksum controls, etc.
- **Integrity, accuracy and quality - documentary evidence, including:**
  - Data quality pass/fail criteria dash-boarding (or reports) performed on KDEs

Data Requirements cont..

504.3 Requirement

(c) 5.
"End-to-end, pre-and post implementation testing of the Transaction Monitoring Program, including, as relevant, a review of **governance**, **data mapping, transaction coding,** detection scenario logic, **model validation, data input** and Program output"

- **Evidence of data integration testing**
  - Data mapping test results, ETL review, transaction code testing relevant to each TFS/TMS; documented scope of testing, reports, conclusions, findings, action plans
- **Model validation report(s) on each TFS/TMS, showing review of:**
  - Data quality assessment and review of data relevance to the Model
  - Data assumptions and supporting documentation;
  - Process verification checks
- **Data governance review / materials:**
  - Roles and responsibilities for the data (i.e. data stewardship) tech/business owners.
  - Business rules for data standards
  - Data related policies and procedures etc..

Data Requirements cont..

504.3 Requirement

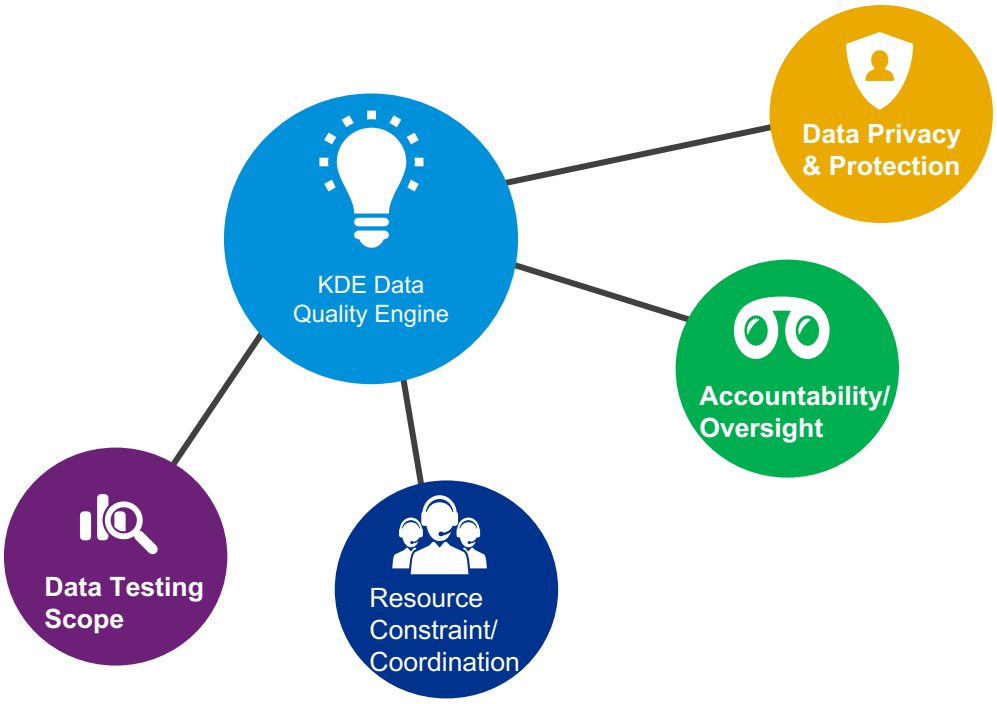
(d).
"To the extent a Regulated Institution has identified areas, systems, or processes that require material improvement, updating or redesign, the Regulated Institution shall document the identification and the remedial efforts planned and underway to address such areas, systems or processes. Such documentation must be available for inspection by the Superintendent."

- **Action plan for remedial efforts**
  - Log of:
  - Key issues
  - Impacts
  - Planned actions
  - Dates
  - Dependencies
  - Owners

Data Requirements cont..

504.4 Requirement	
"Annual Board Resolution or Senior Officer(s) Compliance Finding."	Regulated Institution shall adopt and submit to the Superintendent a Board Resolution or Senior Officer(s) Compliance Finding in the form set forth in Attachment A by April 15th of each year. Each Regulated Institution shall maintain for examination by the Department all records, schedules and data supporting adoption of the Board Resolution or Senior Officer(s) Compliance Finding for a period of five years.

Global Data Governance Challenges



Data Privacy & Protection:
- Regional data privacy law need to be accounted for and adhered to.

Accountability:
- Accountability of certification sign off.
- Identifying sub certification owners such as CIO/COO.
- Change control and change management process

Resource Constraint:
- Identifying regional data stakeholders and data management resources.

Data Testing Scope:
- Identification of all the data sources.
- Scope of data lineage testing. Point to point vs source target.
- Scope of data control, quality and reconciliation testing.

Key Data Elements ("KDE") are the data fields identified as necessary for transaction monitoring, filtering and alert investigation.

Extraterritorial certification : option 1

Pros

- Region-based sign off places responsibility on the data source owners to maintain data integrity, quality, completeness
- Some existing firm testing and information gathering may be leveraged for 504 certification
- Shared resources relative to independent foreign data quality monitoring

Cons

- Lack of authority.
- Response coordination of branches regions would need significant oversight in tracking and management.
- Inconsistencies in data management processes.
- Impact of addressing issues from potential gaps identified.
- No direct US data quality testing of foreign branches.
- Yearly process.

Extraterritorial certification : option 2

Pros

- Region-based sign off places responsibility on foreign data source owners
- Head office has authority to collect certification of controls from branches / regions
- Some existing firm testing and information gathering may be leveraged for 504 certification
- Would spread data quality monitoring resources throughout the network of branches
- Involving data owners outside of the US. Perceived strength with DFS

Cons

- Lack of authority.
- Response coordination of branches regions would need significant oversight in tracking and management.
- Inconsistencies in data management processes.
- Impact of addressing issues from potential gaps identified.
- No direct US data quality testing of foreign branches.
- Yearly process.

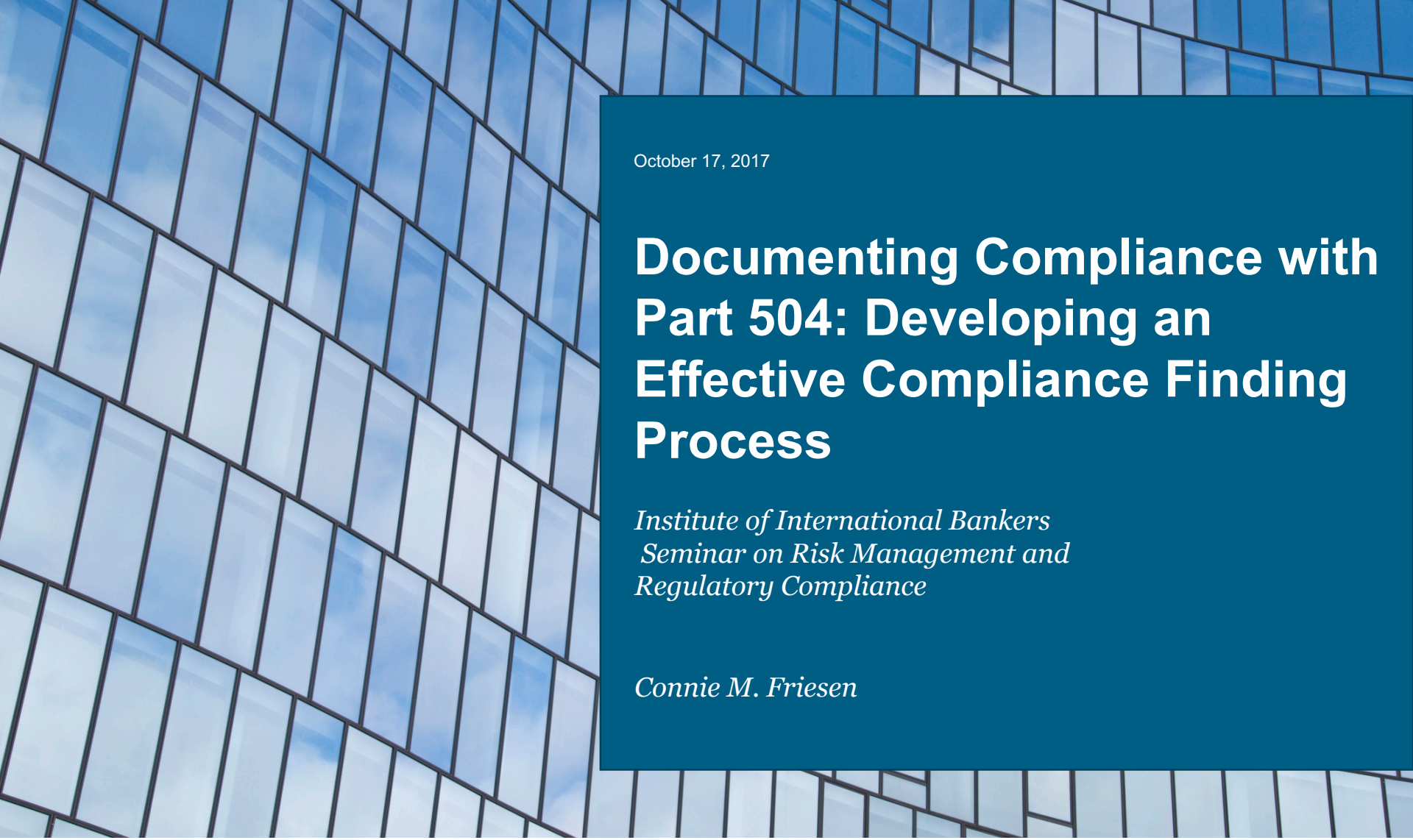
Extraterritorial certification : option 3

Pros

- Less immediate coordination of branches regions, more independent and controlled by the US, who is responsible for certifying
- US-maintained system, possible that less outreach required

Cons

- Responsibility placed solely on the US for such monitoring on foreign data source owners
- Shared resources relative to independent foreign data quality monitoring in the Branch
- Any data quality issues from branches would require remediation and coordination with US Branch
- DFS likely perceived weaker control than other options (distanced from data owners)



October 17, 2017

Documenting Compliance with Part 504: Developing an Effective Compliance Finding Process

Institute of International Bankers Seminar on Risk Management and Regulatory Compliance

Connie M. Friesen

SIDLEY
150 YEARS

Executive Summary

- One approach to documenting compliance with Part 504 is to develop a sub-certification program (herein, a “Sub-Certification Program”) that attempts to address each element of Part 504 by requiring responsible employees and/or functions to provide a certificate or similar affirmation covering specific items and issues.
- Such an approach enables a Regulated Institution to maintain and present evidence of careful planning, documentation and review.
- However, a Part 504 compliance program that relies significantly on sub-certificates may also present issues of individual responsibility and potential liability.

Supplementing a Sub-Certification Program with Other Appropriate Steps

- While the focus of this presentation is on the development and implementation of a Sub-Certification Program and the related responsibilities and potential liability of officers and employees, such a Program should be part of a broader "Plan of Action" to meet the requirements of Part 504.
- A Plan of Action might include:
  - Appointing a Project Team charged with overseeing the review and revision of the Transaction Monitoring and Filtering Program.
  - Developing a comprehensive written plan for such review and revision.
  - Arranging for regular meetings of the Project Team to assess progress and initiate new steps as necessary.
  - Preparing a written report for presentation to the Board of Directors and senior management.

Developing Policies and Procedures to Guide the Compliance Finding Process

- Specific steps in developing a Sub-Certification Program may include the following:
  - Develop a written policy and/or procedure that outlines the entire process.
  - Map the components of an effective Part 504 Transaction Monitoring and Filtering Program.
  - Make certain that each requirement of Part 504 is fully covered.
  - Identify officer(s) or employee(s) who will be responsible for providing a sub-certificate for each requirement of Part 504.
  - Determine the steps that should be taken and the documents that should be reviewed by each responsible officer or employee.
  - Develop the appropriate format and content for each sub-certificate.
  - Establish a timeline for when the sub-certificates must be completed and submitted.

Review, Analysis and Finalization of Sub-Certificates

- The officer or employee in charge of the Regulated Institution's overall compliance with Part 504 should review the various sub-certificates to determine their sufficiency and completeness.
- Any gaps or issues should be resolved.
- The Senior Officer who signs the Compliance Finding (who may or may not be the person in charge of compliance with Part 504) should participate in the development and review of the sub-certificates in order to have a good understanding of the Sub-Certification Program and have confidence in signing the Compliance Finding.

Responsibilities of Officers and Employees Who Sign the Compliance Finding and Sub-Certificates

- Each officer or employee who signs a Compliance Finding or sub-certificate should affirm that the statements in the Compliance Finding or sub-certificate are true and correct to the best of his/her knowledge.
- Part 504 contains a provision that authorizes the Superintendent of Financial Services at the NYDFS to enforce the regulation under any applicable laws. It does not include language from the Proposed Rule that explicitly mentioned criminal penalties for a certifying officer who files an incorrect or false certification. However, it is still possible to be criminally liable for violations of Part 504 under existing New York laws.

What are the Risks?

- While there can be no certainty in such matters:
  - If the Regulated Institution and the officers and employees who provide sub-certificates have taken all reasonable steps to meet the requirements of Part 504 and such steps are well-documented and supported, the senior officer should be able to sign the Compliance Finding in reliance on the sub-certificates and supporting documentation.
  - If an officer or employee signs a Compliance Finding or sub-certificate that he/she knows to be false or incorrect, he/she may be subject to potential civil penalties imposed by the NYDFS or criminal penalties if an action is initiated by the New York Attorney General after referral by the NYDFS.
  - If an officer or employee signs a sub-certificate that contains incorrect statements in the mistaken belief that they are correct, and he/she has taken reasonable steps to provide a correct statement, it is unlikely (but still possible) that the NYDFS would take action against him/her.

What are the Risks? (continued)

- In the event that a branch's compliance with Part 504 is found to be materially deficient and the veracity of the Compliance Finding and sub-certificates is in question, the NYDFS (based on the relevant facts and circumstances relating to the totality of compliance efforts by the Regulated Institution) would likely bring an enforcement action.
- An enforcement action could range in severity from a confidential agreement to a public consent order accompanied by civil or criminal penalties. Individual officers and employees could also face fines and/or penalties that might be imposed by NYDFS.
- Part 504 does not indicate what a Regulated Institution should do if it cannot certify that all components of the program are in compliance because shortcomings have been identified.
  - Prior self-disclosure?
  - Qualified Compliance Finding?
  - Other options?

What are the Statements Required to be Set Forth In the Compliance Finding?

- The Compliance Finding contains three basic statements:
  1. Senior Officer has reviewed documents, reports, certifications and opinions of such officers, employees, representatives, outside vendors and other individuals or entities as necessary to adopt the Compliance Finding.
  2. Senior Officer has taken all steps necessary to confirm that the Regulated Institution has a Transaction Monitoring and Filtering Program that complies with the provisions of Section 504.3.
  3. To the best of the Senior Officer's knowledge, the Transaction Monitoring and Filtering Program of the Regulated Institution as of April 15 [year] for the year ended December 31 [previous year] complies with Section 504.3.

Analysis Required to Support the Basic Statements

Each of the three statements requires a specific analysis:

- First Statement: Senior Officer would need to compile a list of documents, reports, certifications and opinions that he/she has reviewed and determine whether all the necessary documents were reviewed to adopt the Compliance Finding.
- Second Statement: Section 504.3 contains four sub-parts, as follows:
  a) Subpart A – requires that each Regulated Institution maintain a Transaction Monitoring Program that includes 8 specifically-listed attributes.
  b) Subpart B – requires that each Regulated Institution maintain a Filtering Program that includes 5 specifically-listed attributes.
  c) Subpart C – requires that each Transaction Monitoring and Filtering Program include 8 specific requirements.
  d) Subpart D – requires a Regulated Institution to document remedial efforts to address identified areas, systems or processes that require material improvement, updating or re-design.

Senior Officer should analyze whether all necessary steps were taken to meet these requirements.

Analysis Required to Support the Basic Statements (continued)

- Third Statement: "To the best of [the Senior Officer's] knowledge," the Transaction Monitoring and Filtering Program meets the requirements of Section 504.3.
  - This is generally understood to require a review of relevant documents.

Responsibilities of Each Sub-Certifier

- Many Regulated Institutions have decided to divide the responsibilities for assuring compliance with each of the elements of Part 504 among relevant internal business groups, officers and employees.
- Each statement to be made by a Senior Officer will be supported by sub-certificates that, taken together, will cover each specific requirement of Part 504.3.
- If carefully executed, such a process of preparing sub-certificates should provide sufficient evidence that relevant documentation has been reviewed, appropriate remedial efforts have been undertaken and completed, and the program complies with Section 504.3.
- The process should include a clear definition of who is responsible for reviewing particular documents and systems and to make certain that collectively, such responsibilities and the related sub-certificates cover all items cited at Section 504.3.

Responsibilities of Each Sub-Certifier (continued)

- If all relevant personnel have a clear understanding of their responsibilities, the process should provide the Senior Officer signing the Compliance Finding with better protection from potential liability.

Developing a "Map" of Requirements, Functions and Activities to be Included in Sub-Certification Program

- One of the key challenges for a Regulated Institution that decides to adopt a Sub-Certification Program is making certain that all requirements are addressed in a carefully-documented manner.

[sample treatment of a single requirement]

What is the Requirement?	Who is Responsible for Meeting the Requirements?	How will Satisfaction of the Requirement be Documented?

Section 504.3(a)(1) "Be based on the Risk Assessment of the Institution"	• Which functions should be consulted?
	  • Operations
	  • Compliance
	  • IT
	  • Lines of Business
	• Who should prepare and sign the Sub-Certificate?
		• Review Head Office and New York risk assessments
		• Determine whether identified risks are effectively "mapped" to the Transaction Monitoring and Filtering Program

Effect of “Best of Knowledge” Qualifier

- As noted above, the third statement within the Compliance Finding contains a “best of knowledge” qualifier. The NYDFS did not provide a definition, but New York court cases and general practice provide some helpful guidance.
- As used in certifications, the “best of knowledge” qualifier is typically understood to indicate that the statements are not guaranteed to be true but are correct based on the information reviewed by the person making the statement.

Effect of “Best of Knowledge” Qualifier (continued)

- “Actual Knowledge” typically includes only the information of which the person whose knowledge is at issue is consciously aware and that is known at the time the statement is made.
- “Best of knowledge” implies a somewhat higher standard, but still includes a level of uncertainty and is not a warranty or guaranty that the statement is true.
- The ability to rely on “best of knowledge” qualifiers should provide some level of protection for certifiers and sub-certifiers absent reckless or willful misrepresentations or willful blindness.

Issue of Potential Individual Liability

- Generally:

  A key issue of concern is the extent to which an individual signing a sub-certificate or a Senior Officer signing the Compliance Finding might be held personally responsible and subject to civil and/or criminal penalties in the event the NYDFS finds deficiencies in the Compliance Finding and/or in any underlying sub-certificate or supporting documentation.

Authority of the NYDFS

- The NYDFS has significant enforcement authority under Part 504 and can bring enforcement actions or initiate other appropriate measures against a Regulated Institution that provides a materially incorrect or deficient Compliance Finding.
- Section 504.5 states specifically that Part 504 “will be enforced pursuant to, and is not intended to limit, the Superintendent’s authority under any applicable laws.”
- The language of Section 504.5 gives the Superintendent discretion to pursue civil or criminal liability for violations of Part 504, particularly with respect to individuals who falsely certify under Section 504.4.

Civil Enforcement Authority

- The NYDFS may be able to impose a civil penalty of up to $5000 per offense against a director or officer who makes an intentional misrepresentation in a Section 504.4 Compliance Finding. See New York Financial Services Law, Section 408(a).
- Under Section 408(a) of the New York Financial Services Law, the NYDFS could also impose a $1000 per violation for “any other violation of this chapter or the regulations issued thereunder.”

Criminal Enforcement Authority

- The NYDFS may refer potential criminal violations to the New York Attorney General and assist with investigations and enforcement actions.
- Criminal liability requires either knowledge of the falsity of a certification (misdemeanor liability) or the intent to deceive (felony liability).
- Under New York Banking Law Section 672, an officer or director who makes a false statement to a regulator with the intent to deceive is guilty of a felony. A felony conviction under Section 672 is punishable by one to four years in prison.
- False statements in a Section 504.4 Compliance Finding would be susceptible to prosecution for falsifying business records (New York Penal Law, Section 175.10), offering false statements for filing (New York Penal Law, Section 175.35) and falsifying books and records (New York Banking Law, Section 672.1).

Summary re: Civil and Criminal Enforcement Authority

- In sum, the Senior Officer who submits the Compliance Finding (and the officers and employees who provide the sub-certificates) could be exposed to potential individual liability if any of them knowingly makes false statements to the effect that the Transaction Monitoring Program and Filtering Program is sufficient even though the officer or employee knows of specific deficiencies.
- Therefore, it is imperative that a Regulated Institution fully document and carefully track its efforts to comply with Part 504, including building a detailed and comprehensive process for preparing the annual Compliance Finding.

Potential Liability of Sub-Certifiers Located Outside the United States

- In some cases, because certain functions are performed at Head Office, sub-certifiers may be located outside the United States.
- This fact has led to questions of whether the NYDFS might have the authority to bring an action against officers and employees located at Head Office – the answer to this question is not entirely clear.
- However, the NYDFS expects that there will be a strong linkage between Head Office and a branch and could likely assert jurisdiction on the basis of Section 200(3) of the New York Banking Law.
- Another source of jurisdictional authority over Head Office might be the requirement for a “risk assessment of the institution” as a basis for the Transaction Monitoring and Filtering Program.

Potential Liability of Sub-Certifiers Located Outside the United States (continued)

- As a practical matter, the authority of the NYDFS should be limited to activities related to the Transaction Monitoring and Filtering Program actually conducted at Head Office and to statements made by certifiers and sub-certifiers located at Head Office.
- Head Office certifiers should be able to rely on “best of knowledge” qualifiers in the same manner as certifiers and sub-certifiers located in New York.

Potential Enforcement Issues

- Because the Compliance Finding requirement is new, there is no history with respect to how aggressively the NYDFS will pursue violations and impose penalties.
- However, the NYDFS has clearly indicated its intention to hold senior management accountable for shortcomings in a Regulated Institution's Transaction Monitoring and Filtering Program and for related misrepresentations in the Compliance Finding.
- Accordingly, officers and employees who sign a Compliance Finding or a sub-certification should carefully assess compliance with Part 504 before submitting a Part 504 Compliance Finding or sub-certificate.

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