



In April, the Treasury Department announced the 2023 De-Risking Strategy, mandated by the Anti-Money Laundering Act of 2020. This strategy shapes a safer, more transparent, and more accessible financial system while protecting the U.S. financial system from illicit actors and activities. The strategy offers recommended policy options in order to combat this risk.

“De-risking” is accomplished by terminating or restricting business relationships indiscriminately with broad categories of customers rather than analyzing and managing the risk of those customers. The U.S. government finds “De-risking” drives financial activity out of the regulated financial system, which hampers remittances, prevents low- and middle-income segments of the population from efficiently accessing the financial system, and prevents the transfer of humanitarian aid and disaster relief.

This strategy outlines that profitability is the primary factor in Bank’s de-risking decisions by highlighting that profitability is influenced by the Bank’s available resources and cost of implementing AML/CFT compliance measures with the risk posed by customers.

The strategy states that customers facing de-risking challenges include:

- Small and medium-size Money Service Businesses (MSBs) that offer money-transmitting services.
- Non-Profit Organizations (NPOs) operating in high-risk jurisdictions.
- Foreign financial institutions with low correspondent banking transaction volumes, particularly those operating in financial environments characterized by high AML/CFT risk.

CCI suggests you forward this information to your BSA staff. As always, CCI is happy to help with any compliance-related questions.