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A DIVISION OF JACK HENRY & ASSOCIATES INC[®]

Deposit Q & A Roundtable

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- 16-03 News about FinCEN's New Customer Due Diligence Requirements
- As noted in previous editions of this newsletter (Issues 16-01 and 16-02), FinCEN released its final rule "Customer Due Diligence Requirements for Financial Institutions" which will become effective 5/11/2018 (81 FR 29397 at <https://federalregister.gov/a/2016-10567>), followed by FIN-2016-G003 which contains a list of frequently asked questions to assist covered financial institutions in understanding the scope of the Customer Due Diligence (CDD) Requirements for Financial Institutions (<https://www.fincen.gov/resources/statutes-regulations/guidance/frequently-asked-questions-regarding-customer-due-diligence>).
- JHA is in the process of scoping software changes in core to add functionality in order to identify and track the following types of beneficial owners of legal entity customers, along with the necessary identifying information:
 - Each individual (if any) who owns, directly or indirectly, 25 percent or more of the equity interests of the legal entity customer (i.e., the ownership prong), and
 - An individual with significant responsibility for managing the legal entity customer (i.e., the control prong, such as a Chief Executive Officer, Chief Financial Officer, Chief Operating Officer, Managing Member, General Partner, President, Vice President, or Treasurer).
- As reported previously, JHA has assembled an internal Task Force to determine the impact of these requirements across its various core and complementary products (including OFAC scans and BSA/AML monitoring), which is in its initial stage. More information about this matter will be available at a later date and will be included in future editions of this newsletter, as it develops.