



# Arkansas State Bank Department

Candace A. Franks  
Commissioner

Asa Hutchinson  
Governor

DATE: February 1, 2017  
TO: Chief Executive Officer of the Institution Addressed  
FROM: Candace Franks, Bank Commissioner  
SUBJECT: BSA/AML Self-Assessment Tool

The Bank Secrecy Act and related federal and state law requirements are the first line of defense against financial crimes, and financial institutions play an important role in minimizing these risks. It is important that financial institutions are able to effectively identify, monitor and communicate Bank Secrecy Act/Anti-money Laundering (“BSA/AML”) risk. For many institutions, particularly small, non-complex institutions, these requirements command significant compliance resources.

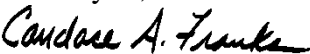
To help manage new and evolving risks associated with BSA/AML, state regulators have worked with the Conference of State Bank Supervisors to develop, pilot and release the new BSA/AML Self-Assessment Tool for the banking industry. This BSA/AML Self-Assessment Tool (“Assessment Tool”) is voluntary and may be used at your institution’s discretion.

In the development of the Assessment Tool, state regulators worked to balance standardization and flexibility. Accordingly, this Assessment Tool is intended to help each institution have a consistent framework for assessing and communicating internally about their BSA/AML risk management program in a format that is customizable to each institution’s risk profile.

There is no regulatory expectation from the Arkansas State Bank Department that this tool be used. It is simply offered as a supplement to the BSA/AML risk management program already in place at your institution.

The Conference of State Bank Supervisors has made this Assessment Tool and supplemental documents for using the Tool available on its website. The information is available at <https://www.csbs.org/regulatory/resources/Pages/JobAids.aspx>. If you have questions, comments, or feedback about the Tool, please contact the Bank Department at 501-324-9019 or you may email [bsatool@csbs.org](mailto:bsatool@csbs.org) at the Conference of State Bank Supervisors.

As the Arkansas State Bank Department continues to find ways to improve risk management efficiency and reduce associated regulatory burdens, the Bank Department seeks your cooperation in making the delivery of financial services as safe as possible to the consumers of the great State of Arkansas.

Thank you,  
  
Candace A. Franks  
Bank Commissioner