



# Arkansas State Bank Department

Candace A. Franks  
Commissioner

Asa Hutchinson  
Governor

DATE: May 9, 2018  
TO: Chief Executive Officer of the Institution Addressed  
FROM: Candace A. Franks, Bank Commissioner  
SUBJECT: FINCEN's Customer Due Diligence (CDD) Rule May 11, 2018 compliance deadline

May 11, 2018 is the mandatory compliance deadline for the full implementation of the Customer Due Diligence (CDD) Rule for all covered financial institutions. I am certain that all Arkansas banks have been in preparation for this event for quite some time, but I would like to issue this correspondence as a reminder and provide a link to helpful information as you fully implement this new "Fifth Pillar" of your existing Bank Secrecy Act/Anti-Money Laundering Program.

The Financial Crimes Enforcement Network (FinCEN) recently issued a Frequently Asked Questions (FAQ) document to assist covered financial institutions in their comprehension and deployment of the CDD Rule. The FinCEN FAQ can be accessed here: [https://www.fincen.gov/sites/default/files/2018-04/FinCEN\\_Guidance\\_CDD\\_FAQ\\_FINAL\\_508\\_2.pdf](https://www.fincen.gov/sites/default/files/2018-04/FinCEN_Guidance_CDD_FAQ_FINAL_508_2.pdf). The basis of the CDD Rule is the identification, collection and verification of the beneficial ownership information for their legal entity customers.

Examiners will evaluate each bank's effectiveness at implementing the new requirements for the CDD Rule during the examination process. Additionally, in the near future, examination procedures for examiners to utilize in their analysis of this final CDD Rule will be distributed. Should you have any questions, please feel free to contact the Bank Department at 501-324-9019 for further assistance.