

1 “(A) prohibit financial institutions from al-
2 lowing clients to direct transactions that move
3 their funds into, out of, or through the con-
4 centration accounts of the financial institution;

5 “(B) prohibit financial institutions and
6 their employees from informing customers of
7 the existence of, or the means of identifying,
8 the concentration accounts of the institution;
9 and

10 “(C) require each financial institution to
11 establish written procedures governing the doc-
12 umentation of all transactions involving a con-
13 centration account, which procedures shall en-
14 sure that, any time a transaction involving a
15 concentration account commingles funds belong-
16 ing to 1 or more customers, the identity of, and
17 specific amount belonging to, each customer is
18 documented.”.

19 **SEC. 326. VERIFICATION OF IDENTIFICATION.**

20 (a) IN GENERAL.—Section 5318 of title 31, United
21 States Code, as amended by this title, is amended by add-
22 ing at the end the following:

23 “(l) IDENTIFICATION AND VERIFICATION OF
24 ACCOUNTHOLDERS.—

1 “(1) IN GENERAL.—Subject to the require-
2 ments of this subsection, the Secretary of the Treas-
3 ury shall prescribe regulations setting forth the **min-**
4 **imum standards for financial institutions** and their
5 customers regarding the identity of the customer
6 that shall apply in connection with the opening of an
7 account at a financial institution.

8 “(2) MINIMUM REQUIREMENTS.—The regula-
9 tions shall, at a minimum, require financial institu-
10 tions to implement, and customers (after being given
11 adequate notice) to comply with, reasonable proce-
12 dures for—

13 “(A) verifying the identity of any person
14 seeking to open an account to the extent rea-
15 sonable and practicable;

16 “(B) maintaining records of the informa-
17 tion used to verify a person’s identity, including
18 name, address, and other identifying informa-
19 tion; and

20 “(C) consulting lists of known or suspected
21 terrorists or terrorist organizations provided to
22 the financial institution by any government
23 agency to determine whether a person seeking
24 to open an account appears on any such list.

1 “(3) FACTORS TO BE CONSIDERED.—In pre-
2 scribing regulations under this subsection, the Sec-
3 retary shall take into consideration the various types
4 of accounts maintained by various types of financial
5 institutions, the various methods of opening ac-
6 counts, and the various types of identifying informa-
7 tion available.

8 “(4) CERTAIN FINANCIAL INSTITUTIONS.—In
9 the case of any financial institution the business of
10 which is engaging in financial activities described in
11 section 4(k) of the Bank Holding Company Act of
12 1956 (including financial activities subject to the ju-
13 risdiction of the Commodity Futures Trading Com-
14 mission), the regulations prescribed by the Secretary
15 under paragraph (1) shall be prescribed jointly with
16 each Federal functional regulator (as defined in sec-
17 tion 509 of the Gramm-Leach-Bliley Act, including
18 the Commodity Futures Trading Commission) ap-
19 propriate for such financial institution.

20 “(5) EXEMPTIONS.—The Secretary (and, in the
21 case of any financial institution described in para-
22 graph (4), any Federal agency described in such
23 paragraph) may, by regulation or order, exempt any
24 financial institution or type of account from the re-
25 quirements of any regulation prescribed under this

1 subsection in accordance with such standards and
2 procedures as the Secretary may prescribe.

3 “(6) EFFECTIVE DATE.—Final regulations pre-
4 scribed under this subsection shall take effect before
5 the end of the 1-year period beginning on the date
6 of enactment of the International Money Laundering
7 Abatement and Financial Anti-Terrorism Act of
8 2001.”.

9 (b) STUDY AND REPORT REQUIRED.—Within 6
10 months after the date of enactment of this Act, the Sec-
11 retary, in consultation with the Federal functional regu-
12 lators (as defined in section 509 of the Gramm-Leach-Bli-
13 ley Act) and other appropriate Government agencies, shall
14 submit a report to the Congress containing recommenda-
15 tions for—

16 (1) determining the most timely and effective
17 way to require foreign nationals to provide domestic
18 financial institutions and agencies with appropriate
19 and accurate information, comparable to that which
20 is required of United States nationals, concerning
21 the identity, address, and other related information
22 about such foreign nationals necessary to enable
23 such institutions and agencies to comply with the re-
24 quirements of this section;

1 (2) requiring foreign nationals to apply for and
2 obtain, before opening an account with a domestic
3 financial institution, an identification number which
4 would function similarly to a Social Security number
5 or tax identification number; and

6 (3) establishing a system for domestic financial
7 institutions and agencies to review information
8 maintained by relevant Government agencies for
9 purposes of verifying the identities of foreign nation-
10 als seeking to open accounts at those institutions
11 and agencies.

12 **SEC. 327. CONSIDERATION OF ANTI-MONEY LAUNDERING**
13 **RECORD.**

14 (a) BANK HOLDING COMPANY ACT OF 1956.—

15 (1) IN GENERAL.—Section 3(c) of the Bank
16 Holding Company Act of 1956 (12 U.S.C. 1842(c))
17 is amended by adding at the end the following new
18 paragraph:

19 “(6) MONEY LAUNDERING.—In every case, the
20 Board shall take into consideration the effectiveness
21 of the company or companies in combatting money
22 laundering activities, including in overseas
23 branches.”.

24 (2) SCOPE OF APPLICATION.—The amendment made
25 by paragraph (1) shall apply with respect to any applica-