
FinCEN Releases Frequently Asked Questions Regarding Customer Due Diligence and Beneficial Ownership Requirements

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Last week the Financial Crimes Enforcement Network (FinCEN) issued much-anticipated [Frequently Asked Questions](#) (FAQs) that provide additional guidance to financial institutions relating to the implementation of the new Customer Due Diligence Rule (CDD Rule), set to go into effect on May 11, 2018. In general, the FAQs clarify certain issues that have caused implementation challenges for financial institutions. While FinCEN's earlier guidance provided a general overview of the CDD Rule—including the purpose of the rule, the institutions to which it is applicable, and some relevant definitions—the new FAQs provide greater detail for financial institutions seeking to comply with the CDD Rule. The FAQs are meant to assist covered financial institutions in understanding the scope of their customer due diligence (CDD) obligations, as well as the rule's impact on their broader anti-money laundering (AML) compliance. While the guidance is helpful in clarifying some of FinCEN's expectations, the implementation challenge lies in applying the CDD Rule to a financial institution's specific products and services.

As financial institutions work to meet the CDD Rule's fast-approaching May 11 compliance deadline, they should pay special attention to the following key areas summarized below.

[Read the full alert.](#)

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