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## ANTI-MONEY LAUNDERING DEVELOPMENTS IN 2021

*In this article, the authors point to the combination of new statutory and regulatory obligations, increased scrutiny by Congress and regulators, and new tools for law enforcement, as making 2021 a highly significant year in AML law. Their article discusses these developments and the new regulatory focus on the cryptocurrency industry. They conclude that companies should examine their current AML policies and enhance their compliance to keep up with regulators' increasingly demanding expectations.*

By Michael M. Rosensaft and Scott A. Resnik \*

This year, regulators, supported by a slate of new legislation, have focused more of their efforts on AML violations and compliance deficiencies than ever before. At the beginning of the year, the money laundering provisions in the National Defense Authorization Act for fiscal year 2021 (the “NDAA”) expanded the number of businesses required to report suspicious transactions, provided new tools to law enforcement to subpoena foreign banks, expanded the anti-money laundering (“AML”) whistleblower program, and increased fines and penalties for companies who violate anti-money laundering provisions. The NDAA also imposed new obligations on corporations, limited liability companies, and similar entities to report beneficial ownership information. Although the extent of that reporting has not yet been defined, the notice of proposed rulemaking issued by FinCEN raises serious concerns that the Treasury Department may require businesses to report beneficial ownership information for corporate affiliates,

parents, and subsidiaries, as well as to detail the entity’s relationship to the beneficial owner. Shortly after passage of the NDAA, Treasury Secretary Janet Yellen stressed that the Act “couldn’t have come at a better time,” and pledged to prioritize its implementation.

To that end, in June of 2020, the Financial Crimes Enforcement Network (“FinCEN”) released a list of national priorities for anti-money laundering and countering the financing of terrorism that were “intended to assist all covered institutions” in meeting their AML obligations.<sup>1</sup> The priorities included areas such as corruption, cybercrime, fraud, and terrorist financing,

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<sup>1</sup> *FinCEN Issues First National AML/CFT Priorities and Accompanying Statements* (June 30, 2021), available at <https://www.fincen.gov/news/news-releases/fincen-issues-first-national-amlcft-priorities-and-accompanying-statements>.

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\*MICHAEL M. ROSENSAFT is a partner in Katten’s White Collar and Internal Investigations Group and a former federal prosecutor in the Southern District of New York. SCOTT A. RESNIK is the chair of the White Collar and Internal Investigations Group at Katten Muchin Rosenman LLP and a former federal prosecutor in the District of New Jersey. Their e-mail addresses are michael.rosensaft@katten.com and scott.resnik@katten.com.

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