

Collier Shannon Scott

Collier Shannon Scott, PLLC
Washington Harbour, Suite 400
3050 K Street, NW
Washington, DC 20007
202.342.8400 TEL
202.342.8451 FAX

December 2, 2005

By mail and e-mail: regcomments@fincen.treas.gov

Brian L. Ferrell, Esq.
Chief Counsel
Financial Crimes Enforcement Network
P.O. Box 39
Vienna, VA 22183

Re: Banco Delta Asia S.A.R.L. (RIN 1506-A83)

Dear Mr. Ferrell:

Further to our meeting on November 30, 2005 with you and your colleagues, I am enclosing a letter from Joseph T. McLaughlin at Heller Ehrman LLP that sets forth the new information you invited us to submit.

Very truly yours,



James D. Barnette

Enclosure

cc: Joseph T. McLaughlin, Esq.

HellerEhrman_{LLP}

December 2, 2005

Joseph T. McLaughlin
Joseph.McLaughlin@hellerehrman.com
Direct +1.212.847.8789
Main +1.212.832.8300
Fax +1.212.763.7600

By mail and e-mail: regcomments@fincen.treas.gov

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Financial Crimes Enforcement Network
P.O. Box 39
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Re: Banco Delta Asia S.A.R.L. (RIN 1506-A83)

Dear Mr. Ferrell:

We appreciated the opportunity to meet with you and your colleagues to discuss the recent, new developments regarding our client, Banco Delta Asia S.A.R.L. (the "Bank"). Much has changed since the Financial Crimes Enforcement Network ("FinCEN") published the Notice of Findings and Rulemaking (the "Notice") in the Federal Register and the comment period with respect to that Notice expired.

In order to apprise FinCEN and the Department of the Treasury of the new developments relevant to the rulemaking, we request that FinCEN re-open the comment period for the proposed rule, and consider the following new information:

1. The Bank's new management¹ has confirmed in writing that all North Korean-related accounts have been closed and that all funds in these accounts are being held in suspense accounts at the discretion of the Macau Monetary Authority. A copy of the Bank's confirmation letter (without attachment), dated November 15, 2005, is annexed as Exhibit 1.

2. Deloitte & Touche Forensic Services Limited ("Deloitte"), which was retained by the Bank's new management with the approval of the Macau Monetary Authority, has commenced its engagement to devise and implement new and enhanced anti-money-laundering ("AML") and related policies and procedures at the Bank. A copy of Deloitte's

¹ As we noted in our comment letter dated October 17, 2005, the Chief Executive of Macau appointed, by decree, a three-member Administrative Committee to run the Bank in lieu of senior management. The Administrative Committee, in turn, appointed monitors for each functional department of the Bank.

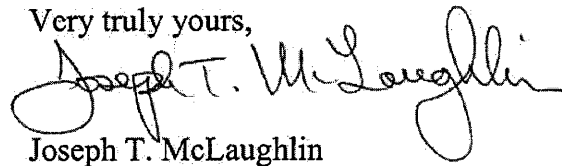
summary of its work to date, which we received on November 16, 2005, is annexed as Exhibit 2.

3. Macau's proposed AML and Combating the Financing of Terrorism laws, which will create substantial criminal penalties for violations, were filed with the Macau Legislature on October 28, 2005 and are expected to be adopted in the near future. Courtesy English translations of these proposed laws and their legislative backgrounds are annexed as Exhibit 3.

4. Since the end of the comment period, we have continued to conduct interviews of Bank employees concerning matters raised in the Notice. We are continuing to work with the Bank and Ernst & Young to investigate these matters.

In addition, as discussed, my colleagues and I will travel to Macau in mid-January to meet with Bank officials, including the members of the Administrative Committee, and representatives of the Macau Monetary Authority to review the Bank's progress in implementing the changes we described during the meeting, as well as the status of matters described in this letter. After that visit, we will request an additional meeting with you and your colleagues, at which point we will renew our request that FinCEN revoke the Notice. In the interim, we would appreciate your re-opening the comment period until that time to receive this letter and other new information from the Bank.

Very truly yours,



Joseph T. McLaughlin

Attachments

Exhibit 1



Administrative Committee
Banco Delta Asia S.A.R.L.
Rua do Campo, No 39-41
Macau SAR of The Peoples' Republic of China

Date: 15 November, 2005

Heller Ehrman
35th Floor, One Exchange Square
8 Connaught Place,
Central, Hong Kong


Ref: AC-34/05

Dear Mr. Phillips,

We are writing to confirm that all accounts maintained with Banco Delta Asia S.A.R.L. ("BDA") by the entities and individuals listed in the Appendix to this letter are closed.

In connection with any funds standing to the credit of those accounts, we sought and obtained directions from the Monetary Authority of Macau to place those funds in a suspense account. The funds will remain in the suspense account pending further directions from the Monetary Authority of Macau.

Yours faithfully,

Signed 
(Authorised Signatory)

Name: H. Sousa

Signed 
(Authorised Signatory)

Name: Cary Lei

Exhibit 2

PRIVATE AND CONFIDENTIAL

Banco Delta Asia S.A.R.L. (“Banco Delta Asia”)

1 Summary of our engagement scope of work

1.1 Our approach is designed to address the stated needs of the Administrative Committee to assist in the development of an AML compliance program framework for Banco Delta Asia in line with international standards in anticipation of the enactment of the new AML law in Macau expected shortly.

1.2 As instructed by the Administrative Committee, the principles underlying the approach to this engagement are:

- **Design a new, international standard AML compliance program** – Our engagement is focused on providing a framework for a new, international standard AML compliance program for the bank on a go forward basis. We have not been asked to review the current compliance program in place at the bank and will offer no findings or opinion on the past or current situation with respect to AML compliance policies, procedures and controls.
- **Develop a risk based approach assuming current business portfolio of BDA** - As future status and control of the bank is unclear, we have agreed with the Administrative Committee that the framework compliance program should be driven by an assessment of AML risk inherent in the bank’s current business activities in Macau. We have therefore started with a first phase to develop a draft AML risk framework for the bank as it is currently constituted to inform the development of a risk based approach to framework AML policies and procedures.
- **Develop policies and procedures at a framework level to guide and monitor future implementation** - The nature of our work is to provide a high level framework for international standard AML policies and procedures that can be subsequently implemented by the bank. As described below the third phase of our engagement is to develop an implementation plan to be used by the Administrative Committee to monitor the progress of implementation at the bank of the recommended AML risk and policies and procedures frameworks developed in earlier phases.

1.3 As detailed in our engagement letter, the three phases of our scope of work are:

- Phase 1 – AML Risk Framework Development

- Phase 2 – AML Policies and Procedures Framework Development
- Phase 3 – AML Compliance Implementation plan

1.4 Each of these phases is described below.

Phase 1 – AML Risk Framework Development

1.5 Phase 1 involves the following activities which were conducted over a two week period:

Activities

- Review of business, products, clients and distribution channels
 - Interview of key business personnel
 - Development of a draft AML Risk Framework
 - Validation of the risk framework with the Administrative Committee
-

1.6 A draft AML Risk Framework was submitted in the form of a presentation at the end of week two and was followed by a review meeting to discuss and validate the risk framework before commencement of Phase 2. The Risk Framework will require sign-off from the Administrative Committee before progressing to Phase 2.

Phase 2 – AML Policies and Procedures Framework Development

1.7 Upon validation of the Risk Framework in Phase 1 with the Administrative Committee, we will commence phase 2. Phase 2 involves the development of an AML Policies and Procedures Framework consistent with the draft Risk Framework. We envisage Phase 2 will be conducted over a four week period, focusing on the areas outlined below:

AML Policies and Procedures Framework Development

- Know Your Customer / Customer Identification / Acceptance and Due Diligence
 - Account and Transaction Monitoring
 - Training and Staff Awareness needs assessment
 - Policies and process for Independent Review of AML Compliance Effectiveness
 - Draft AML Policies and Procedures Framework
 - Validation of the policies and procedures framework with the Administrative Committee
-

- 1.8 Phase 2 is anticipated to culminate at week four with the submission of a draft AML Policies and Procedures Framework in the form of a presentation, followed by a review meeting to discuss and validate the AML Policies and Procedures Framework before commencement of Phase 3. The Policies and Procedures Framework will require sign-off from the Administrative Committee before progressing to Phase 3.

Phase 3 – AML Compliance Implementation Plan

- 1.9 Upon validation of Phase 2, we will commence Phase 3. Phase 3 involves the development of a high level road map for the implementation of draft AML risk framework and AML Policies and Procedures Framework. The implementation plan is intended to facilitate the ability of the Administrative Committee, and/or other regulators such as the Macau Monetary Authority, to monitor the progress of the bank's implementation of the risk framework and AML policies and procedures framework going forward. The implementation plan will be completed over a two week period and include the following:

- Recommendations and implementation strategy; and
- Implementation plan including timing, resourcing and implementation options

2 Current status of our engagement

- 2.1 We have completed Phase 1 of the engagement and discussed our draft AML risk framework with the Administrative Committee on 15 November 2005. We are currently awaiting validation of the draft AML risk framework by the Administrative Committee.
- 2.2 While awaiting validation of the draft AML risk framework by the Administrative Committee, we are currently planning for the commencement of Phase 2 of the engagement.

3 Estimated time to completion

- 3.1 We estimate to complete Phase 2 of the engagement within the next four weeks from the date of validation of Phase 1 by the Administrative Committee. We anticipate receiving validation for Phase 1 this week.
- 3.2 We envisage that Phase 3 will take two weeks after validation of the policies and procedures framework by the Administrative Committee.

Exhibit 3

Draft Legislation

Prevention and Repression of Money Laundering

CHAPTER I GENERAL PROVISIONS

Article 1 Objective

This Law stipulates measures for the prevention and repression of money laundering.

Article 2 Complementary Law

The provisions of « Criminal Code» shall complement and apply to the crimes defined in this Law.

CHAPTER 2 CRIMINAL PROVISIONS

Articles 3 Money Laundering

1. For the purpose of this Law, profit is defined as illicit properties derived from crimes which entail a maximum penalty of over 3 years in prison. It covers assets generated by such illicit properties, notwithstanding that the act is committed by any means in a collusion.

2. To conceal the unlawful source of the profit or to help the culprit and his accomplices to escape criminal proceedings, anyone who transfer or converts such profit or facilitates such activities shall be imprisoned for 2 to 8 years.
3. To conceal or cover up the real nature, source, origin, disposal, transfer or the identity of the owner shall attract the same penalty as stipulated in above Paragraph.
4. If the unlawful event has been committed outside the jurisdiction of the MSAR but is also deemed unlawful under the legal system of the government who has jurisdiction, the penalties stipulated in Paragraph 2 and Paragraph 3 shall also apply.
5. Legal proceedings relating to profit generating crimes which conform to indictment cannot be instigated without complaints. If there is no timely complaint, the above mentioned events will not be subject to any penalty. However, if such profits are generated from unlawful events which conform to indictment as stipulated in Article 166 and Article 167 of the « Criminal Code» , they shall not be excluded.
6. The penalties for the above provisions shall not exceed the maximum penalties applied to crimes which generate the related profits and conform to the indictment.
7. To suit the requirements stipulated in the above Paragraph, if the related profit is derived from two or more unlawful events conforming to the indictment, the maximum penalty applied in the above Paragraph shall be the highest of penalties applied to all these crimes which conform to indictment.

Article 4

Accentuated Penalty

Penalties shall increase by 50%, but not to exceed what are stipulated in Paragraph 6 and Paragraph 7 of Article 3 above, if one of the following events emerges:

1. Money laundering crime has been committed by criminal organization or triad, or by members or supporters of criminal organization or triad;
2. The unlawful events which generate profit and conform to indictment are related to terrorism, illicit traffic in narcotic drugs and psychotropic substances, international slave trade or banned weapons and explosives;
3. The culprit is a repeated offender in money laundering.