



Financial Crimes Enforcement Network

A bureau of the U.S. Department of the Treasury

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FinCEN Takes Action to Protect U.S. Financial System

Section 311 action against FBME Bank protects the U.S. financial system from a foreign bank facilitating illicit activity

WASHINGTON – The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) today named FBME Bank Ltd., formerly known as the Federal Bank of the Middle East, as a foreign financial institution of primary money laundering concern pursuant to Section 311 of the USA PATRIOT Act (Section 311). Today's action reflects FinCEN's continuing commitment to take strong action against financial institutions willing to facilitate the laundering of funds for weapons proliferators, terrorists, and transnational organized criminals.

"FBME promotes itself on the basis of its weak Anti-Money Laundering (AML) controls in order to attract illicit finance business from the darkest corners of the criminal underworld." said FinCEN Director Jennifer Shasky Calvery. "Unfortunately, this business plan has been far too successful. But today's action, effectively shutting FBME off from the U.S. financial system, is a necessary step to disrupt the bank's efforts and send the message that the United States will not stand by while financial institutions help those who intend to harm or threaten Americans."

FBME's business model is based on its weak AML controls. FBME changed its country of incorporation numerous times, partly due to its inability to adhere to regulatory requirements. It has established itself with a nominal headquarters in Tanzania. However, FBME transacts over 90 percent of its global banking business through branches in Cyprus. Finally, FBME has taken active steps to evade oversight by the Cypriot regulatory authorities in the recent past.

FBME openly advertises the bank to its potential customer base as willing to facilitate the evasion of AML regulations. In addition, FBME solicits and is widely recognized by its high-risk customers for ease of use. These facts, taken in concert with FBME's extensive efforts over the years to evade regulatory oversight, illustrate FBME's willingness to service the global criminal element.

FinCEN has delivered to the Federal Register a regulatory finding explaining the basis for the action as well as a notice of proposed rulemaking (NPRM) that, if adopted as a final rule, would prohibit covered U.S. financial institutions from opening or maintaining correspondent or payable-through accounts for FBME itself, and for other foreign banks being used to process transactions involving FBME. The NPRM also proposes to require covered financial institutions to apply special due diligence to their correspondent accounts maintained on behalf of foreign banks to guard against processing any transactions involving FBME. These measures are subject to a 60-day comment period, beginning the day the NPRM is published in the Federal Register. The Notice of Finding is effective immediately. U.S. financial institutions should take this information into account as part of their overall risk management programs.

To view a Fact Sheet on Section 311 of the USA PATRIOT Act, visit this [link](#).

To view the Notice of Finding against FBME, visit this [link](#).

To view the Notice of Proposed Rulemaking, visit this [link](#).

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FinCEN's mission is to safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis, and dissemination of financial intelligence and strategic use of financial authorities.