

UNITED STATES DEPARTMENT OF THE TREASURY



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FinCEN Severs Access to U.S. Financial System for FBME Bank Ltd.

Final Rule Defends Transparency and Integrity of U.S. Financial System

WASHINGTON, D.C. - The U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) today issued a [final rule](#), pursuant to Section 311 of the USA PATRIOT Act, which imposes "special measure five" against FBME Bank Ltd. (FBME), formerly known as the Federal Bank of the Middle East. Special measure five prohibits U.S. financial institutions from opening or maintaining correspondent accounts or payable through accounts for or on behalf of FBME.

On July 17, 2014, FinCEN issued notice that it had found FBME to be of primary money laundering concern under Section 311 of the USA PATRIOT Act, and issued a related notice of proposed rulemaking (NPRM), which proposed the imposition of special measure five against FBME. The finding and NPRM also outlined the various factors supporting the action and the proposed measures against FBME, which included: (i) FBME is used by its customers to facilitate money laundering, terrorist financing, transnational organized crime, fraud, sanctions evasion, and other illicit activity internationally and through the U.S. financial system; (ii) FBME has systemic failures in its anti-money laundering controls that attract high-risk shell companies, that is, companies formed for the sole purpose of holding property or funds and that do not engage in any legitimate business activity; and (iii) FBME performs a significant volume of transactions and activities that have little or no transparency and often no apparent legitimate business purpose.

After publication of the NPRM and notice of its finding, FinCEN received information from a variety of sources, including comments from the public, during the 60-day comment period. After a careful and deliberative review of all available information, FinCEN determined that finalizing the proposed rule and imposing special measure five is warranted and necessary to protect the U.S. financial system.

“The finalization of this rule is significant,” said FinCEN Director Jennifer Shasky Calvey, “because it demonstrates that the United States will not allow a compromised foreign bank to send dirty funds through the U.S. financial system.”

FinCEN’s imposition of special measure five will guard against the international money laundering and other financial crimes described above directly by restricting the ability of FBME to access the U.S. financial system to process transactions, and indirectly by public notification to the international financial community of the risks posed by dealing with FBME.

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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.