

WRITTEN BSA/AML COMPLIANCE PROGRAM

Bank Secrecy Act / Anti-Money Laundering

Money Services Business — Money Transmitter

Prepared for: [COMPANY LEGAL NAME]

DBA: [DBA / TRADE NAME, IF APPLICABLE]

Principal Office: [STREET ADDRESS, CITY, STATE, ZIP]

FinCEN Registration Number: [FINCEN REGISTRATION NUMBER]

EIN: [EMPLOYER IDENTIFICATION NUMBER]

| | |
|-----------------------------|---|
| BSA Compliance Officer | [COMPLIANCE OFFICER FULL NAME] |
| Title | [TITLE, e.g., Chief Compliance Officer] |
| Effective Date | [MM/DD/YYYY] |
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Section 1: Introduction and Purpose

Regulatory Basis: 31 CFR 1022.210 (AML Program Requirements for MSBs); 31 CFR 1010.100(ff) (MSB Definition); FinCEN BSA/AML Examination Manual for MSBs (2014 update).

1.1 Purpose of This Program

[COMPANY LEGAL NAME] (hereinafter "the Company") is a Money Services Business (MSB) engaged in the business of money transmission as defined under 31 CFR 1010.100(ff)(5). The Company is subject to the Bank Secrecy Act (BSA), 31 U.S.C. §§ 5311–5336, and its implementing regulations at 31 CFR Chapter X.

This Written BSA/AML Compliance Program ("the Program") establishes the Company's policies, procedures, and internal controls to detect, prevent, and report money laundering, terrorist financing, and other financial crimes in connection with the Company's money transmission activities.

This Program is adopted pursuant to the mandatory AML program requirement at 31 CFR 1022.210 and is designed to comply with all applicable provisions of the BSA and FinCEN regulations.

1.2 Scope of Application

This Program applies to:

- [COMPANY LEGAL NAME] and all of its principals, officers, and employees.
- All agents and authorized delegates of the Company, to the extent required by applicable regulations.
- All money transmission services offered by the Company, including but not limited to: [LIST SERVICES, e.g., domestic wire transfers, international remittances, mobile payment services, payment processing, etc.]
- All business locations: [LIST LOCATIONS OR STATE "see Location Register, Attachment A"].
- All transactions processed through the Company's platform, regardless of channel or amount.

1.3 Program Objectives

This Program is designed to achieve the following objectives:

- Ensure full compliance with the Bank Secrecy Act, 31 U.S.C. §§ 5311–5336, and all implementing regulations at 31 CFR Chapter X.
- Detect and report suspicious activity that may involve money laundering, terrorist financing, fraud, or other financial crimes, including filing Suspicious Activity Reports (SARs) as required under 31 CFR 1022.320.
- Identify customers and verify their identity in accordance with the Company's Customer Identification Program (CIP), as required under 31 CFR 1022.210(a)(1).

Section 2: Regulatory Basis and Applicability

Regulatory Basis: Bank Secrecy Act, 31 U.S.C. §§ 5311–5336; 31 CFR Part 1010 (General Rules); 31 CFR Part 1022 (Rules for MSBs); 31 CFR 1010.100(ff) (MSB Definition); IRS IRM 4.26.9 (BSA Examination Techniques for MSBs).

2.1 Bank Secrecy Act Overview

The Bank Secrecy Act (BSA), enacted in 1970 and codified at 31 U.S.C. §§ 5311–5336, is the primary federal anti-money laundering statute in the United States. The BSA requires financial institutions, including Money Services Businesses, to maintain records and file reports that assist government agencies in detecting and preventing money laundering and other financial crimes.

FinCEN, a bureau of the U.S. Department of the Treasury, administers the BSA and promulgates implementing regulations codified at 31 CFR Chapter X. The IRS examines MSBs for BSA compliance pursuant to a delegation of authority from FinCEN.

2.2 MSB Classification — Money Transmitter

The Company is a Money Services Business under 31 CFR 1010.100(ff). Specifically, the Company qualifies as a money transmitter under 31 CFR 1010.100(ff)(5), which defines a money transmitter as any person that provides money transmission services, or any other person engaged in the transfer of funds. "Money transmission services" means the acceptance of currency, funds, or other value that substitutes for currency from one person and the transmission of currency, funds, or other value that substitutes for currency to another location or person by any means, 31 CFR 1010.100(ff)(5)(i)(A).

The Company's money transmission activities include:

- [DESCRIBE ACTIVITY 1, e.g., domestic person-to-person fund transfers]
- [DESCRIBE ACTIVITY 2, e.g., international remittance services]
- [DESCRIBE ACTIVITY 3, e.g., payment processing for merchants]
- [ADD OR REMOVE AS APPLICABLE]

2.3 Key Regulatory Requirements

2.3.1 AML Program Requirement — 31 CFR 1022.210

Every MSB must develop, implement, and maintain an effective anti-money laundering program. 31 CFR 1022.210(a). The program must be commensurate with the risks posed by the location and size of, and the nature and volume of the financial services provided by, the MSB. 31 CFR 1022.210(b).

The AML program must incorporate, at minimum, the following four elements ("Four Pillars"):

- (1) Policies, procedures, and internal controls reasonably designed to assure compliance with BSA requirements. 31 CFR 1022.210(d)(1).

4.2.4 Channel / Delivery Risk

- In-person cash transactions (highest risk)
- Online / mobile app transactions (elevated fraud and synthetic identity risk)
- Agent-facilitated transactions (risk passes through agent controls)
- API / platform integrations with third-party originators

4.3 Risk Rating Methodology

Each risk category is rated as Low, Medium, or High based on inherent risk factors and the effectiveness of existing mitigating controls. The residual risk rating (after controls) determines the level of scrutiny applied to transactions, customers, and business relationships.

| Risk Rating | Description |
|-------------|---|
| Low | Routine customers and transactions; standard CIP and monitoring controls are sufficient. |
| Medium | Elevated risk factors present; enhanced monitoring or documentation required. |
| High | Significant money laundering or sanctions risk indicators; Enhanced Due Diligence (EDD) required. |

4.4 Risk Assessment Schedule

The Company completes a formal, written risk assessment:

- Annually – as part of the Program's annual review cycle.
- Upon any material change in the Company's products, services, customer base, or geographic reach.
- Following any SAR filing, regulatory examination, or identified compliance deficiency that suggests a previously unidentified risk.
- Upon entry into a new state or foreign corridor.

The risk assessment is approved by the Compliance Officer and retained in the Company's compliance records for a minimum of five (5) years. A copy is provided to the independent reviewer as part of the annual independent review process.

Last Risk Assessment: Date Completed: [DATE] | Prepared by: [NAME] | Approved by: [COMPLIANCE OFFICER NAME]

The Company provides BSA/AML training to all employees whose job functions are relevant to BSA/AML compliance. Training is designed to give employees the knowledge and skills necessary to perform their BSA-related responsibilities and to recognize and report suspicious activity.

5.3.1 Training Requirements — Who Must Be Trained

The following personnel must complete BSA/AML training:

- All employees who conduct, process, or approve money transmission transactions (tellers, agents, processors).
- All employees involved in customer onboarding or identity verification.
- All employees involved in transaction monitoring or suspicious activity review.
- All managers and supervisors of transaction-processing staff.
- The Compliance Officer (annual refresher training required).
- New employees in covered roles must complete training within [30/60/90] days of hire.

5.3.2 Training Content

At minimum, annual BSA/AML training covers the following topics:

- Overview of the Bank Secrecy Act and FINCEN regulations applicable to money transmitters.
- The Company's AML program — employee-specific roles and responsibilities.
- Customer identification and CIP requirements — what to collect, how to verify, when to escalate.
- Red flags and indicators of suspicious activity (see also Section 7 of this Program and Transaction Monitoring Guide).
- How to escalate suspicious activity to the Compliance Officer — internal reporting procedures.
- What SARs are, when they are filed, and the confidentiality prohibition (employees may not tip off SAR subjects).
- CTR requirements — the \$10,000 threshold, aggregation, and the prohibition on customer exemptions.
- Structuring — how to recognize it, why it is illegal, and the obligation to report.
- OFAC sanctions — what the SDN list is and the obligation to screen every transaction.
- Employee liability for BSA violations — civil and criminal penalties.
- [ADD PRODUCT-SPECIFIC TOPICS RELEVANT TO YOUR OPERATIONS]

5.3.3 Training Format and Frequency

| Training Type | Frequency |
|------------------|--|
| Initial Training | Within [30/60/90] days of hire for all covered employees |