



BSA/AML in Transition

Adjusting your program to meet changing regulatory expectations

Today's presenter



Crystal Trout

Managing Director

Crystal.Trout@bakertilly.com

+1 (404) 410 2020

Agenda

- 01 / Why this matters now
- 02 / FinCEN AML/CFT program rule
- 03 / Section 314(b)
- 04 / Risk assessment refresh
- 05 / Practical program enhancements
- 06 / 90-day readiness roadmap
- 07 / Key takeaways and Q&A

01

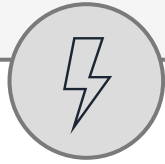
Why this matters now

Why this matters now



Fraud

More sophisticated schemes



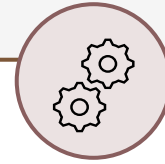
Payments

Faster digital channels



Exams

Effectiveness over activity



Modernization

Risk-based outcomes

The shift: demonstrate that controls produce meaningful results - not simply that activities were completed.

FinCEN AML/CFT program rule

FinCEN AML/CFT program rule

The question is changing.

THEN

"Did you complete the requirement?"

NOW

"Did the control actually address the risk?"

Risk-based decision making

Effectiveness

Governance accountability

Alignment with AML/CFT priorities

Boards and management teams should expect greater discussion around effectiveness metrics.

Examiner takeaways

Four questions to be ready for

01

How does your risk assessment drive decisions?

02

How does management oversee risk?

03

Can you demonstrate effectiveness?

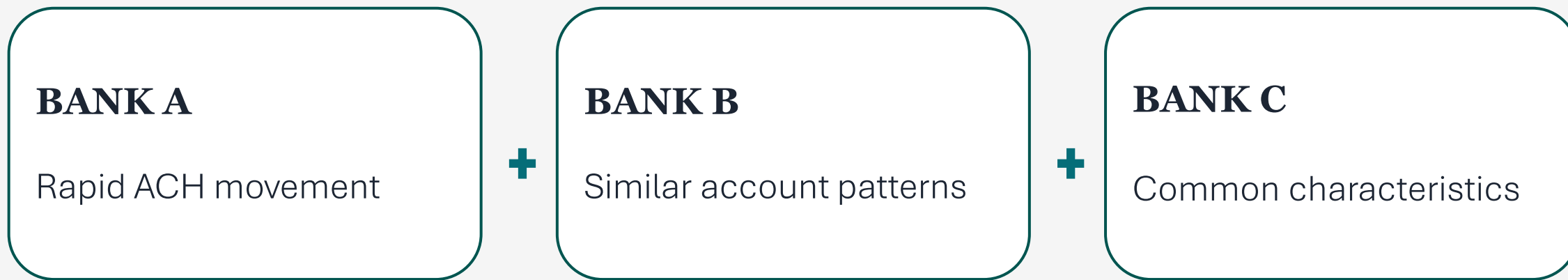
04

Can you support decisions with documentation?

Expect examiners to evaluate rationale - not simply activity.

Case study #1 – Community bank fraud ring

Information sharing



Collective view

Synthetic identity fraud emerges

No institution sees the entire picture alone.

Section 314(b)

Section 314(b)

From compliance mechanism to strategic tool



Strategic risk-management tool

Use collaboration to identify broader criminal activity and strengthen investigative context.

Practical 314(b) opportunities

Where collaboration creates value

01

Fraud investigations

02

Repeat actor identification

03

SAR support

04

Customer-risk enhancement

05

Cross-bank visibility

Workflow test: Is 314(b) embedded in investigations - or handled only as a compliance obligation?

Case study #2 - "We're filing SARS. Why did we receive criticism?"

Effectiveness gap

Technically compliant

SARs filed timely

Training completed

Monitoring maintained



Operationally ineffective

Risk assessment outdated

Product growth not reflected

Staffing no longer matched risk

Activity ≠ effectiveness

Emerging regulatory focus areas

Evolving risk landscape

Fraud convergence

AML + fraud signals

Faster payments

Speed compresses response

Beneficial ownership

Ownership transparency

Sanctions evasion

Evolving typologies

Would your current risk rating model fully capture these exposures?

04

Risk assessment refresh

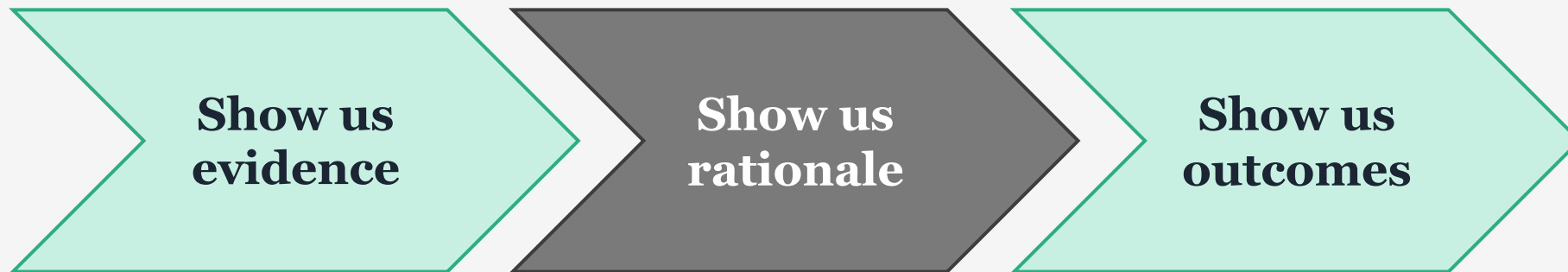
Risk assessment refresh

The program cornerstone



Examiner expectations

Build the examination narrative



The goal is not perfection.

The goal is thoughtful, risk-based decisions supported by documentation.

Case study #3 – The low risk customer

Dynamic risk



Examiner question

“What process would have identified this change?”

Risk is dynamic. Programs must be equally dynamic.

05

Practical program enhancements

Practical program enhancements

Start with risk and governance

01

Governance

Clear
accountability

02

Monitoring

Risk-aligned
coverage

03

Staffing

Capacity
matches risk

04

**Fraud
integration**

Shared
intelligence

05

**Information
sharing**

314(b) in
workflow

Many improvements do not require significant technology investment.

90-day readiness roadmap

90-day readiness roadmap

Move in phases

DAYS 1-30

Understand gaps

Inventory changes • refresh risk view • identify evidence gaps

DAYS 31-60

Assess governance and resources

Clarify ownership • evaluate capacity • align reporting

DAYS 61-90

Document effectiveness

Define outcomes • assemble support • prepare examination narrative

Do not wait for final rulemaking before evaluating preparedness.

Key takeaways and Q&A

Key takeaways and Q&A

01

Effectiveness

is the dominant supervisory theme

02

Risk assessment

must drive decisions

03

314(b)

can deliver risk-management value

04

Fraud + AML

should operate as strategic partners

What is one thing you'll take back to your institution in the next 30 days?

Questions?

Thank you.



The information provided here is of a general nature and is not intended to address the specific circumstances of any individual or entity. In specific circumstances, the services of a professional should be sought. Tax information, if any, contained in this communication was not intended or written to be used by any person for the purpose of avoiding penalties, nor should such information be construed as an opinion upon which any person may rely. The intended recipients of this communication and any attachments are not subject to any limitation on the disclosure of the tax treatment or tax structure of any transaction or matter that is the subject of this communication and any attachments. Baker Tilly Advisory Group, LP and Baker Tilly US, LLP, trading as Baker Tilly, operate under an alternative practice structure and are members of the global network of Baker Tilly International Ltd., the members of which are separate and independent legal entities. Baker Tilly US, LLP is a licensed CPA firm that provides assurance services to its clients. Baker Tilly Advisory Group, LP and its subsidiary entities provide tax and consulting services to their clients and are not licensed CPA firms. The name Baker Tilly and its associated logo is used under license from Baker Tilly International limited. ©2026 Baker Tilly Advisory Group, LP