

APPENDIX B

Country	Public-Private Partnership	Year Established	Description of Activities/Purpose	Frequency of Information Sharing	Limitations
U.S.	1. The Bank Secrecy Act Advisory Group (BSAAG)	1992 ¹	The BSAAG, chaired by FinCEN, is a vehicle for the authorities and the private sector to have shared input and cross-sector representation.	Two (2) plenary meetings each year and has three (3) standing committees that meet on an ad hoc basis to consider: <ul style="list-style-type: none"> a. ML risk compared to regulatory obligations b. Feedback to industry on the use of SARs c. Areas requiring private sector guidance or an advisory 	Real-time information sharing is lacking.
U.S.	2. Securities and Derivatives Markets Working Group (SDWG)		The SDWG, co-chaired by the Securities and Exchange Commission and the Commodity Futures Trading Commission, focuses on identifying and addressing ML risks associated specifically with the securities and derivatives markets. The group fosters communications among industry, other regulators, and law enforcement. ²		

¹ Congress directed the secretary of the treasury in 1992 to establish the BSAAG, consisting of representatives from federal regulatory and law enforcement agencies, financial institutions, and trade groups to actively solicit advice on the administration of the BSA. Since 1994, the BSAAG has served as a forum for industry, regulators, and law enforcement to communicate about how Suspicious Activity Reports (SARs), Currency Transaction Reports (CTRs), and other Bank Secrecy Act (BSA) reports are used by law enforcement and how the record keeping, and reporting requirements can be improved to enhance their utility while minimizing costs to financial institutions. See *FinCEN Director James H. Freis, Jr. Hosts BSAAG Plenary Pledges Commitment to BSA Effectiveness and Efficiency*, dated May 17, 2007, <https://www.fincen.gov/news/news-releases/fincen-director-james-h-freis-jr-hosts-bsaag-plenary-pledges-commitment-bsa>

² See U.S. Department of Treasury, National Money Laundering Risk Assessment, dated 2015 at 6. See also FATF Anti-Money Laundering and Counter-Terrorist Financing Measures Mutual Evaluation Report for the United States, dated December 2016 at 46.

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U.S.	3. USA PATRIOT Act 314(a) Contextual Briefings	2015	<p>Case-specific contextual briefing for institutions assessed by FinCEN to possess relevant data.³</p> <p>Purpose:</p> <ol style="list-style-type: none"> To increase the number and quality of SARs relevant to 314(a) requests or briefings To identify typologies that can be shared with the industry more broadly via advisor notices or by other means To increase the quality and quantity of 314(b) sharing between relevant financial institutions 	Approximately every six (6) weeks with up to ten (10) cases reviewed each year.	Real-time information sharing is lacking, as financial institutions have two weeks to comply with a request and this mechanism is a case-by-case basis by certain identified financial institutions.
U.S.	4. FinCEN Exchange	2017	The FinCEN Exchange was born out of 314(a) Contextual Briefings in which more than 40 financial institutions participated. ⁴ It is a public-private information sharing partnership designed for law enforcement to provide financial institutions with illicit finance typologies and for financial institutions to provide feedback on SAR reporting. ⁵	Approximately every six (6) to eight (8) weeks.	Financial institution participation is by invite only and only for that specific briefing, information is not shared in real-time, and briefings focus on typologies.

³ Nick J. Maxwell and David Artingstall, "The Role of Financial Information-Sharing Partnerships in the Disruption of Crime," Royal United Services Institute, October 2017 at 15 (RUSI Report), https://rusi.org/sites/default/files/201710_rusi_the_role_of_fisps_in_the_disruption_of_crime_maxwell_aringstall_web_2.pdf.

⁴ Under Secretary Sigal P. Mandelker Announces FinCEN Exchange at the ABA/ABA Financial Crimes Enforcement Conference on December 4, 2017, <https://www.fincen.gov/resources/financial-crime-enforcement-network-exchange>.

⁵ FinCEN Exchange Frequently Asked Questions, <https://www.fincen.gov/resources/fin-exchange/fincen-exchange-frequently-asked-questions>.

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UK	5. JMLIT	2017	The JMLIT consists of an Operational Group (large retail and investment banks, law enforcement agencies, and the FCA) to share information on operational-level activity and Expert Working Groups (smaller banks and independent researchers) which assess new AML threats and create red flag indicators or typologies. ⁶	The Operations Group meets weekly at NCA Headquarters in London.	In addition to privacy concerns in the UK, real-time information sharing is lacking and the NCA must certify the request is for one of their statutory purposes under Section 7 of the Crime and Courts Act.

⁶ Nick Kochan, "How Law enforcement is partnering up with banks in AML fight," Wolters Kluwer, March 9, 2016, <http://www.wolterskluwerfs.com/article/how-law-enforcement-is-partnering-up-with-banks-in-aml-fight.aspx>.

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Australia	6. Fintel Alliance	2017	<p>Led by the Australian Transaction Reports and Analysis Centre (AUSTRAC – the Australian FIU), as a public-private partnership between government agencies and private financial institutions. Objectives:⁷</p> <ul style="list-style-type: none"> a. Develop an operating environment for exchanging real-time intelligence (Operations Hub) b. Enable innovative systems of financial transactions and payments to emerge (Innovation Hub) c. Contribute to a regulatory framework that delivers a more efficient and adaptable system of regulation (Innovation Hub) 	Real-time intelligence sharing as the Fintel Alliance is co-located, and the partners work collaboratively, at the AUSTRAC premises in Sydney and Melbourne.	<p>Potential deficiencies include:</p> <ul style="list-style-type: none"> i. AUSTRAC is both the sole supervisor and FIU, which can result in information sharing bottlenecks. ii. Private to private information sharing is prohibited outside of the Fintel Alliance to those outside the alliance without approval of AUSTRAC or law, which could be a lengthy approval process. iii. Fintel Alliance private partnership includes only six (6) banks, a major digital money transmitter, and a money-service bureau.
Singapore	7. Anti-Money Laundering and Counter the Finance of Terrorism Industry Partnership (ACIP)	2017	Created by the Monetary Authority of Singapore and the Commercial Affairs Department of the Singapore Police Force, the goal of the ACIP is to enhance the detection and mitigation of transnational risks. ⁸	Working Groups of the ACIP meet on an ad hoc basis to develop typologies for identified areas of focus and to share best practices, as well as to assess and mitigate risks from trade-based ML.	Singapore's ACIP has limited coverage, as membership consists of eight (8) banks and the Association of Banks in Singapore. ACIP only covers the development of typologies and lacks real-time information sharing.

⁷ See RUSI Report at 15-16.

⁸ See RUSI Report at 17. See also *CAD and MAS Partner Industry Stakeholders to Fight Financial Crimes*, published by MAS, April 2017.

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Hong Kong	8. Fraud and Money Laundering Intelligence Taskforce (FMLIT)	2017	FMLIT is a strategic group consisting of senior representatives from law enforcement, the Hong Kong Monetary Authority, and retail banking industry. ⁹ The main activity is to enhance the detection, prevention, and disruption of serious financial crime and ML threats in Hong Kong.	FMLIT meets once monthly.	FMLIT has limited membership to only ten (10) retail banks and has no real-time or bank-to-bank information sharing. ¹⁰ FMLIT is also only a 12-month pilot program.
Canada	9. Project PROTECT	2016	Project PROTECT is established as a typology and indicator sharing partnership. ¹¹	Project PROTECT develops one typology per year through a process of iterative information sharing between public and private sectors and holds meetings biannually.	Under Canada's Project PROTECT, law enforcement does not share specific entities of concern with financial institutions to support investigations, and only shares typologies on ML risks that stem from human trafficking in the sex trade.

⁹ See RUSI Report at 17-18. See also *Fraud and Money Laundering Intelligence Taskforce Launched*, HKMA Press Release dated May 26, 2017.

¹⁰ Glenn O'Neill, "Fraud and Money Laundering Intelligence Task Force," Hong Kong Police Department, <http://www.hkma.gov.hk/media/eng/doc/key-functions/banking-stability/aml-cft/20171024e1a6.pdf>.

¹¹ See RUSI Report at 18. See also *Canadian Banks, Police Following Money Trail to Target Human Trafficking*, published by Tavia Grant and the *Globe and Mail*, February 21, 2017.