

PANEL:
The Challenge of Banking
Money Transfer Institutions



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Moderator

The Challenge of Banking Money Transfer Institutions

I. Introduction of Panelists

A. Merchants Bank: Arturo Andrade

B. 1st Constitution Bank: Andrea Pagiazitis

C. Mission Bank: Ali Mukhtar

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II. Policy - Banking MSB Customers

A. Type of MSB: Traditional MSBs *versus* New Platforms

B. Due Diligence

1. Program Requirements

a. Four Pillars: Specific to the Customer

b. Qualified/Certified Compliance Officer

c. Proactive Approach - Evolves with Industry events

d. Transparency

2. Background Checks

C. Approval Process

1. Risk Assessment

2. Individual or Committee

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- III. Open Communication - Key to Strong Banking Partnerships
 - A. Continuous and On-going
 - B. Open and Candid
 - C. Accurate, full-disclosure
 - D. Up-dates:
 - A. Key management changes
 - B. Business activity
 - C. Issues with counter-parties (Agents, Regulators, Correspondents)
 - E. Prompt Responses

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IV. Regulatory Oversight

A. Issues:

1. Heightened Level of Scrutiny when Banking MSBs
2. Imposition of Specific Requirements for Compliance Programs

B. Solutions:

1. Fully Understand the Business of the MSB
2. MSB Risk Management Program
 - a. Identify and Understand Risks
 - b. Implement Mitigating Controls
3. Agent Monitoring Program
 - a. Bank Knows MSB's Customer
 - b. Provides Timely Feedback to Banks

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Thank you.

In the afternoon of Nov. 6th , 2013

This presentation was followed by a Round Table Discussion

On the same subject