



The National Money Transmitters Association, Inc.

12 Welwyn Road, Suite C
Great Neck, NY 11021
tel (516) 829-2742
fax (516) 706-0203
www.nmta.us

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Dear Readers,

More Regulation, Please

My daughter is 15 and can't wait to get her driver's license in two years. I am sure it seems like forever to her. She is looking forward to the freedom it will bring, but she also knows it is a serious responsibility and she will have to work to earn it. She will have to sit for class, take a written test, then a driving test. Only then will the government certify that she is qualified to drive. She also knows that driving and having a driver's license, is a necessity of the good modern life. Have you ever tried to live for any length of time without a driver's license or state-issued ID? You cannot cash a check, you cannot open a bank account (sound familiar?), you can hardly do anything.

And there are penalties for driving without a license. The safety of everyone on the road is better protected because of licenses.

By the way, if you want to know who your guest workers are, where they are living and how much they are sending home, giving them a driver's license would be key to that. But I digress.

We who are in the business of handling other people's money, have always known that we bear a grave responsibility, and that our business requires the trust of our customers. We look forward to getting our Federal money transmitter's license for many of the same reasons my daughter wants to get her driver's license as soon as possible.

Our Federal government should be looking forward to it, too.

To continue the analogy, the driver's license becomes a pre-requisite to do other things that involve driving skill, but it does not stop there. It becomes proof of ID and (a somewhat weaker but still accepted) proof of address. The license is recognized and respected because it is issued by a government body, with some standards assumed, and is difficult to counterfeit. Taking a driver's license is how a notary certifies people's signatures on all kinds of important documents. All over, people and institutions rely on taking a driver's license as a basic step which, even if there should be some later problem, at least demonstrates that some due diligence was done.

Through no one's fault, state-issued money transmitter licenses have not yet done the job for us, the banks, or the Federal government. Either the official recognition and respect accorded state-issued licenses needs to be codified (in law or regulation), and deemed sufficient *by everybody, for everybody*, or Federal licensure of the money transfer business needs to be seriously discussed. State regulators, without enough recognition, are doing a heroic job, a great part of which the Federal government should be doing. Let the states concentrate on protecting their residents. And do respect their role and their wishes in that sphere, always.

Either step could be done at the regulatory or legislative level, but it will be better for everyone, if Congress gets on board. Tougher state licensing is certainly not the answer, and comes close to blaming and punishing the victim here.

We all will still continue to work on our due diligence skills, there is no dispute about that. But right now, there is no upper limit to the demands, the second-guessing, and the potential penalties associated with granting us accounts. We need to put an end to that. Thousands of bankers are already attending hundreds of seminars, without getting us any closer to our goal. This is telling us clearly that here is one situation the Federal government was created for.

Right now, for an MSB to register with FinCEN, a two-page form is filled out, with no verification, no follow-up. That's it, a good eleven years after Congress passed the Money Laundering Suppression Act of 1994.

One way we are different from check cashers is that we work through agents, check cashers do not. We are generally held responsible for our agents' behavior. We keep continuous track of who is and who is not an agent, not just once a year. Obviously, it is only through us that government can get any kind of handle on this important population of MSBs.

Cost will not be an issue. Please. We always pay for our exams, anyway, and sometimes several times over.

We need banks and banks, in turn, need an efficient, reliable way to demonstrate due diligence. They should be able to dispatch this duty quickly. *Very* quickly. Anything else is impractical and unworkable.

Please give us, and the banks, all these benefits that will come with a Federal money transmitter license. Many other benefits will appear, once we start down this road, I promise you.

For example, trying to implement anything even vaguely like the consumer protections in the proposed *International Remittance Consumer Protection Act*, would be impossible to contemplate without a vigorous, centralized licensing regime. Unless you want us to be still scratching our heads eleven years from now, still trying to define and identify to whom the requirements apply.

Above all, in the battle against money laundering and terrorism, a Federal license would give the nation and our financial system, the records, security and transparency we all need and deserve.

Regards,

-David

Special Announcement

To All Members and Non-Members

Do make plans to attend the New Jersey Department of Banking and Insurance conference, **"Fostering a Cooperative Business Environment in New Jersey Between Regulators and Licensed Entities to Protect against Money Laundering and Terrorism."**

It is coming up this Monday, October 24, 2005. Click [here](#) for a program and a registration form you can fax in.

The Department of Banking and Insurance has put together a truly impressive lineup, with speakers and panels from all sectors. The day promises to be informative and productive for everyone, so please make sure your administrative and compliance departments are well-represented.

Industry News and Trends

U.S. Treasury Report Gives Clues to MSB Registration Rule Modifications

(Subscription required)

October 7, 2005 - Moneylaundering.com

The U.S. Financial Crimes Enforcement Network is drafting a proposed rule that would modify the current money services businesses registration process, according to an Inspector General's audit report released in late September.

<http://www.moneylaundering.com/NewsBriefDisplay.aspx?ID=849>

Tackling Money Laundering

October 11, 2005... Hardbeatnews.com - Jackson Heights, NY, USA... into agreements with counterpart agencies in Aruba, Cayman Islands and Colombia to share financial intelligence on suspected money laundering and terrorist...

http://www.hardbeatnews.com/editor/RTE/my_documents/my_files/details.asp?newsid=4969&title=Top%20Stories

Patriot Act Poses Risk for US Financial Institutions

October 10, 2005... PR Newswire (press release) - New York, NY, USA... 10 /PRNewswire/ -- Complying with the Patriot Act is a top concern for boards of financial services firms, according to a survey of 210 board members conducted...

<http://biz.yahoo.com/prnews/051010/nym135.html?.v=24>

Paris Hosts Meeting of Financial Action Group on Money-Laundering

October 10, 2005... Agencia Brasil - Brazil... of the Brazilian Ministry of Finance, is in Paris to participate in a meeting beginning today (10) of the Financial Action Group on Money-Laundering (Gafi). ...

http://internacional.radiobras.gov.br/ingles/materia_i_2004.php?materia=242907&q=1&editoria=

Subcommittee on Financial Institutions and Consumer Credit

September 22, 2005... Hearing on H.R. 3505, the "Financial Services Regulatory Relief Act of 2005."

<http://financialservices.house.gov/hearings.asp?formmode=detail&hearing=416>

Meeting of Finance Ministers and Central Bank Governors

October 15-16, 2005... Xianghe, Hebei, China... Communiqué... (See point 7) "We also acknowledged migrant remittances have become an important and stable source of income and made significant contributions to economic development and poverty reduction in home countries." ...

http://www.g20.org/news/uploadfile/G20_Communique_2005_en_1.pdf

Also see:

Reuters Business Summary

October 17, 2005... Washington Post - United States
Beijing (Reuters) - US Treasury Secretary John Snow said on Monday that he was convinced China was committed to letting market forces drive the Yuan's value...
<http://www.washingtonpost.com/wp-dyn/content/article/2005/10/17/AR2005101700113.html>

August Overseas Workers' Remittances Up 28.3%

October 14, 2005... INQ7 Interactive, Inc. - Philippines... abroad sent home a total of 954 million dollars of their earnings in August, up 28.3 percent year-on-year, bringing their total remittances since January to...
http://money.inq7.net/breakingnews/view_breakingnews.php?yyyy=2005&mon=10&dd=14&file=5

US Remittances Booming in El Salvador

October 13, 2005... MSN Money - USA... The bank said it expects remittances for the year to reach US \$2.8 billion (euro 2.3 billion), up from US \$2.5 billion (euro 1.8 billion) last year and US \$2.1...
<http://news.moneycentral.msn.com/provider/providerarticle.asp?feed=AP&Date=20051013&ID=5188861>

65pct. Remittances from UAE Sent 'Unofficially'

October 13, 2005... The Financial Express - Bangladesh
The government is encouraging remittances from the UAE and other Gulf states through the banking channels to boost the country's foreign exchange reserves...
http://financialexpress-bd.com/index3.asp?cnd=10/13/2005§ion_id=7&newsid=3580&spcl=no

Multiple Challenges of Global Migration

October 09, 2005... Indian Express - New Delhi, India... The remittances that the migrants send home have become increasingly significant with formal transfers in 2004 exceeding \$150 billion with an estimated \$300...
http://iecolumnists.expressindia.com/full_column.php?content_id=79659

More Remittances from Women Emphasize Feminization of Migration...

October 08, 2005... By Jeremaiah M. Opiniano... Cyber Dyaryo - Manila, Philippines... from Japan, Hong Kong, Singapore and Malaysia "on monthly averages ranging from US \$300 to US \$500," said the ADB study Southeast Asian Workers' Remittances. ...
http://www.cyberdyaryo.com/features/f2005_1008_02.htm

International Finance Expert Opens Lecture Series

October 08, 2005... WMU News - Kalamazoo, MI, USA... Her work on the impact of remittances -- repatriated earnings of immigrant workers -- on exchange rates and the interplay of immigrants with banking institutions...
<http://www.wmich.edu/wmu/news/2005/10/024.html>

Related News Items

Bank Fees Pinch Many Budgets

October 17, 2005... Poughkeepsie Journal - Poughkeepsie, NY, USA... four agencies that regulate banks and credit unions -- FDIC, NCUA, Federal Reserve Board and Office of the Comptroller of the Currency -- recommended banks...
<http://www.poughkeepsiejournal.com/apps/pbcs.dll/article?AID=/20051017/BUSINESS/510170302/1003>

Bankers Oppose Wal-Mart as Rival

October 15, 2005... By Michael Barbaro... Wal-Mart's proposal to open a bank has sent a wave of concern through community bankers, who view the move as the first of several maneuvers that will turn the company into a financial services behemoth.

<http://www.nytimes.com/2005/10/15/business/15walmart.html?th&emc=th>

US Banks Given Authentication Deadline

October 13, 2005... Finextra - UK... the Federal Deposit Insurance Corporation (FDIC), the National Credit Union Administration (NCUA), the Office of the Comptroller of the Currency (OCC), and the...

<http://www.finextra.com/fullstory.asp?id=14389>

Also see:

FFIEC Releases Guidance on Authentication in Internet Banking...

October 12, 2005... Erin Hickman...

http://communitydispatch.com/artman/publish/article_2472.shtml

United States: Banking Agencies Publish "Basel IA" Risk Capital Proposal for US Banking Institutions Not Adopting Basel II

(Registration required)

October 12, 2005... Originally published October 11, 2005... Mondaq.com... Banking and Financial (Financial Services Alert - Developments of Note)

http://www.mondaq.com/article.asp?articleid=35422&email_access=on

Judge Halts Spitzer Probe of Home Lending

October 12, 2005... Reuters - USA... Spitzer's effort to probe home lending practices by major banks, saying jurisdiction was reserved for the US Office of the Comptroller of the Currency (OCC). ...

http://today.reuters.com/investing/financeArticle.aspx?type=governmentFilingsNews&storyID=URI:urn:newsml:reuters.com:20051012:MTFH90225_2005-10-12_18-38-13_N12667470:1

Also see:

Court Halts New York Lending Inequity Investigation

October 14, 2005... By Brendan Coyne...

http://newstandardnews.net/content/?action=show_item&itemid=2481

International News

Govt Prepares New Money-Laundering Laws

October 11, 2005... ABC Online - Australia...The Federal Government says it expects to have a draft bill outlining its changes to money-laundering legislation by next month. ...

<http://www.abc.net.au/news/newsitems/200510/s1479917.htm>

Syria to Step up Combating Money Laundering and Terror Financing

October 12, 2005... Arabic News - USA... of the Central Bank of Syria called on Tuesday all concerned parties to implement the legislative decree related to fight money laundering and financing terror...

<http://www.arabicnews.com/ansub/Daily/Day/051012/2005101211.html>

Money Laundering Bill will Promote Transparency

October 14, 2005... Iran Mania News - Iran

London... (IranMania) - A lawmaker said that once the Parliament ratifies the bill to counter money laundering, greater transparency will be created...

<http://www.iranmania.com/News/ArticleView/Default.asp?NewsCode=36687&NewsKind=Curent%20Affairs>

Bangko Sentral Sees '05 BOP Surplus at \$900M

October 16, 2005... Doris C. Dumlao... Inquirer News Service... INQ7 Interactive, Inc. - Philippines... The BOP build-up this year is being supported by strong dollar inflows from migrant remittances, exports, investments and fresh foreign borrowings of the...

http://money.inq7.net/topstories/view_topstories.php?yyyy=2005&mon=10&dd=17&file=4

Also see:

BSP Sees 2005 Inflation as Low as 7.6%

October 17, 2005... ABS CBN News...

<http://www.abs-cbnnews.com/storypage.aspx?StoryID=19300>

Liaison Office: IT Issues

October 16, 2005... Nilesh Modi & Lubna Kably... Financial Express - Bombay, India... It held that a LO, which represents its foreign enterprise engaged in remittance services, constitutes a PE where the LO downloads information (such as names...

http://www.financialexpress.com/fe_full_story.php?content_id=105706

UPDATE 2-Fed, Deutsche Bank Sign Anti-Money Laundering Deal

October 14, 2005... By Mark Felsenthal... Reuters - USA... The Deutsche Bank unit pledged to submit written revisions to its anti-money laundering and Bank Secrecy Act compliance programs, the agreement said. ...

http://today.reuters.com/investing/financeArticle.aspx?type=governmentFilingsNews&storyID=URI:urn:newsml:reuters.com:20051014:MTFH41886_2005-10-14_18-03-49_N14726205:1

Thumbs up for Swiss Anti-Money Laundering Rules

October 14, 2005... Swissinfo - Switzerland

He said the experts praised Switzerland for its cooperation on an international level in the fight against money laundering, and for the way it pursues...

<http://www.swissinfo.org/sen/swissinfo.html?siteSect=106&sid=6163325&cKey=1129310211000>

FATF Removes Nauru from Money Laundering Blacklist; Keeps Myanmar...

October 13, 2005... Forbes - USA

Paris (AFX) - The intergovernmental Financial Action Task Force against money laundering said it has removed Nauru from its blacklist as it shut down an...

<http://www.forbes.com/work/feeds/afx/2005/10/13/afx2275561.html>

Remittances, Exports to Keep Peso Strong vs. Dollar--Arroyo

October 11, 2005... By Lira Dalangin-Fernandez... INQ7 Interactive, Inc. - Philippines... Officials on Tuesday said they were expecting remittances from overseas Filipino workers and strong exports to keep the peso strong until the end of the year. ...

http://money.inq7.net/breakingnews/view_breakingnews.php?yyyy=2005&mon=10&dd=11&file=25

Vietnam Bank Launches Home Delivery of Remittances

October 10, 2005... By N.Son & T.Xuan... Thanh Nien Daily - Ho Chi Minh City,

Vietnam...Asian Commercial Bank (ACB), one of the largest banks in Vietnam, is bringing remittances to its customers' doors without any extra fees. ...

<http://www.thanhniennews.com/business/?catid=2&newsid=9758>

Cash Remittances to Quake-Hit Areas to be Affected

October 10, 2005... Peninsula On-line - Qatar

Doha: Cash remittances through regular and irregular channels to the quake-hit areas of Pakistan are expected to be severely affected over the next few days...

http://www.thepeninsulaqatar.com/Display_news.asp?section=Local_News&subsection=Qatar+News&month=October2005&file=Local_News2005101065531.xml

EFCC Warns Banks on Money Laundering

October 11, 2005... By Ndidi Onuora... Vanguard - Apapa, Lagos, Nigeria... He said the Commission is investigating the money laundering transaction allegation against All States Trust Bank which had its board dissolved last Thursday. ...

<http://www.vanguardngr.com/articles/2002/north/nt511102005.html>

Crimes & Cases

First Indictment in Hapoalim Money Laundering Affair

October 16, 2005... Yitzhak Danon... Globes - Rishon Le-Zion, Israel

The first indictment in the Bank Hapoalim (LSE:BKHD; TASE:POLI) money laundering affair has been submitted to the Tel Aviv district court. ...

<http://www.globes.co.il/serveen/globes/docview.asp?did=1000020701&fid=942>

Also see:

4 Russians Charged in Israel's Largest Money Laundering Case

MOSNEWS – Russia The first indictment in the Bank Hapoalim money laundering affair has been submitted to the Tel Aviv district court. The indictment ...

<http://www.mosnews.com/news/2005/10/17/apoalim.shtml>

3 Men Robbed Money Transfer Firm of P745T

October 16, 2005... By Jovy S. Taghoy... Sun Star – Philippines... A Money transfer firm in Cebu City lost about P745, 000 in Philippine and US currencies when three men armed with .45 pistols robbed it yesterday afternoon. ...

<http://www.sunstar.com.ph/static/ceb/2005/10/16/news/3.men.robbed.money.transfer.firm.of.p745t.html>

US Sets \$3 Mln Banco De Chile Fine Over Dirty Money

October 12, 2005... Reuters - USA... a \$3 million penalty which had already been assessed against the New York Branch of Banco de Chile by the Treasury's Office of the Comptroller of the Currency. ...

http://today.reuters.com/investing/financeArticle.aspx?type=governmentFilingsNews&storyID=URI:urn:newsml:reuters.com:20051012:MTFH93120_2005-10-12_20-47-18_N12688826:1

Venezuela Confiscates Six Farms Used for Drug-Trafficking/Money...

October 10, 2005... VHeadline.com - Worth, IL, USA... Prensa Latina reports that Venezuelan authorities have confiscated six farms used for drug-trafficking and money-laundering, increasing to 24 the number of...

<http://www.vheadline.com/readnews.asp?id=46315>

Interior Ministry Charges Private Bank with Money Laundering

October 10, 2005... ITAR-TASS - Moscow, Russia... Ministry's investigation committee has instituted a criminal case against the management of a private bank on the suspicion of money laundering, the committee...

<http://www.itar-tass.com/eng/level2.html?NewsID=2504289&PageNum=0>

Delay Case May Boil Down to a Single Money Transfer

October 09, 2005... By Laylan Copelin... Palm Beach Post - Palm Beach, FL, USA... team, it's just a tale: They argue the \$190,000 transaction was legal, the list might never have existed and DeLay learned of the money transfer, in passing...

http://www.palmbeachpost.com/news/content/nation/epaper/2005/10/09/a7a_delay_1009.html