

Glossary – Cannabis Banking Working Group

Bank Secrecy Act – The Bank Secrecy Act of 1970 requires financial institutions in the United States to assist U.S. government agencies to detect and prevent money laundering. The act requires financial institutions to keep records of cash purchases of negotiable instruments, and file reports of cash purchases of these negotiable instruments of more than \$10,000 and to report suspicious activity that might signify money launder, tax evasion and criminal activities.

KYC Guidelines – The Know Your Customer guidelines is meant to prevent banks from being used, intentionally or unintentionally, by criminal elements for money laundering activities.

The Patriot Act – The Patriot Act allows investigators to use tools that were already available to investigate organize crime and drug trafficking.

FinCEN – The Financial Crimes Network (FinCEN) is a bureau of the U.S. Department of the Treasurer. Its mission is to safeguard the financial system from illicit use and combat money laundering and promote national security through the collection, analysis and dissemination of financial intelligence and strategic use of financial authorities.

Anti-Money Laundering (AML Measures) – The purpose of the anti-money laundering rules is to help detect and report suspicious activity, including money laundering and terrorist financing, such as securities fraud and market manipulations.

Cole Memo – In August of 2013, the Department of Justice published a memorandum authored by James Cole that described a new set of priorities for federal prosecutors operating in states which had legalized the medical or other adult use of marijuana. The “Cole memo” represented a significant shift of government priorities away from strict enforcement of federal cannabis prohibition toward a more hands-off approach.