

RESCINDED AL 2003-5

OCC ADVISORY LETTER

Comptroller of the Currency
Administrator of National Banks

Subject: U.S. Department of Treasury FinCEN Advisory 2W

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Branches, Department and Division Heads, and Examining Personnel

This advisory letter revises the list of countries detailed in OCC Advisory Letter (AL) 2003-4, "U.S. Department of Treasury FinCEN advisories 16W and 31W," dated May 16, 2003 (see also AL 2002-10, AL 2002-7, AL 2002-5, AL 2002-2, AL 2001-7, and AL 2000-8).

In March 1996, the U.S. Department of the Treasury's Financial Crimes Enforcement Network (FinCEN) issued Advisory 2 identifying the Republic of Seychelles as a safe haven for the proceeds of drug trafficking and other crimes. Subsequently, in July 2000, FinCEN issued a series of advisories identifying 15 countries with serious deficiencies in their counter-money-laundering systems.¹ Since then, FinCEN has issued additional advisories eliminating or revising some of those original advisories².

The attached FinCEN Advisory 2W withdraws FinCEN Advisory 2 regarding the Republic of Seychelles. Enhanced scrutiny of transactions with the Seychelles is no longer necessary due to actions taken by the Seychelles that strengthened its counter-money-laundering system. The FinCEN advisory is consistent with the Financial Action Task Force on Money Laundering decision to withdraw its February 1, 1996, warning regarding the Seychelles.

FinCEN advisories remain in effect for the following jurisdictions³:

- The Arab Republic of Egypt,
- Burma,
- The Cook Islands,
- The Federal Republic of Nigeria,
- Nauru,
- The Philippines,
- St. Vincent and The Grenadines, and
- Ukraine.

¹ See FinCEN advisories 13 - 27 (July 2000). The FinCEN advisories are available at www.treas.gov/fincen and additional guidance is provided in the OCC's AL 2000-8.

² See OCC advisory letters 2001-7, 2002-2, 2002-5, 2002-7, and 2002-10; or FinCEN advisories 2W, 11A, 13A, 14A, 16W, 17A-23A, 25A, 26A, and 31W.

³ See FinCEN advisories 15, 21, 21A, 24, 27-30, and 32.

The FinCEN advisories on the above jurisdictions emphasize the need for enhanced scrutiny of certain transactions and banking relationships in these jurisdictions to ensure that appropriate measures are taken to minimize risk for money laundering. Please refer to OCC AL 2000-8 for additional information on banking relationships in the subject jurisdictions. Also, refer to the Bank Secrecy Act/Anti-Money Laundering booklet in the *Comptroller's Handbook* and OCC advisory letter AL 2000-3, for guidance on controlling risk of money laundering. Copies of the booklet and the OCC advisory letters are available at www.occ.treas.gov/handbook/bsa.pdf and <http://www.occ.treas.gov/issue.htm>.

If you have any questions, please contact your supervisory office or the Compliance Division at (202) 874-4428.

David G. Hammaker
Deputy Comptroller for Compliance

Attachment: FinCEN Advisory 2W

Can also be found electronically at:
[http://www.fincen.gov/pub_main.html]

RESCINDED



United States Department of the Treasury
Financial Crimes Enforcement Network

FinCEN Advisory

Subject:
**Transactions
Involving the
Seychelles**

Date:
May 2003

Advisory:
Issue 2W

WITHDRAWAL

This Advisory is being issued to inform banks and other financial institutions operating in the United States that Financial Crimes Enforcement Network (FinCEN) Advisory 2, regarding the Republic of Seychelles, is hereby withdrawn.

Since the issuance of Advisory 2, the Republic of Seychelles has repealed the 1995 Economic Development Act (EDA). The 1995 EDA would have facilitated money laundering activities and provided special protection against extradition and asset seizure for individuals suspected of engaging in criminal activity outside the Republic of Seychelles and of investing at least \$10 million in approved Seychelles investments. The repeal of the 1995 EDA addresses the particular concerns raised in Advisory 2 and constitutes an important step taken by the Government of the Republic of Seychelles to strengthen its counter-money laundering system. The repeal of the EDA also has led the Financial Action Task Force to withdraw its February 1, 1996 warning regarding the EDA and the Republic of Seychelles. Thus, enhanced scrutiny with respect to transactions involving the Republic of Seychelles, as called for in Advisory 2, is no longer necessary.

The withdrawal of Advisory 2 does not relieve institutions of their pre-existing and on-going obligation to report suspicious activity, as set forth in regulations issued by FinCEN and by the federal bank supervisory agencies, as well as their obligation to comply with all other applicable provisions of law.




James F. Sloan
Director

*FinCEN Advisory is a product of the Financial Crimes Enforcement Network,
Department of the Treasury, Post Office Box 39, Vienna, Virginia 22183.
For more information about FinCEN's programs, visit the FinCEN web site at
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be addressed to the Office of Communications, FinCEN, (703) 905-3773.
Information may also be faxed to (703) 905-3885.*