



## Department of the Treasury Financial Crimes Enforcement Network

### Advisory

**FIN-2006-G002**

**Issued: April 10, 2006**

**Subject: Guidance to Financial Institutions on the Provision of  
Financial Services to Belarusian Senior Regime Elements  
Engaged in Illicit Activities**

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The Financial Crimes Enforcement Network is issuing this advisory to U.S. financial institutions so that they may guard against a potential money laundering threat involving Belarusian government senior regime elements (including senior executives in state-owned enterprises), acting individually or through government agencies and associated front companies, seeking to move misappropriated Belarusian state assets as well as proceeds from illicit arms sales to or through the U.S. financial system.

The U.S. Department of the Treasury has concerns that President Alexander Lukashenko, other senior Belarusian government officials, and senior Belarusian state business executives, having been engaged in the abuse and theft of Belarusian public resources as well as arms sales to states of concern – including state sponsors of terrorism – may now be seeking to move illicitly acquired financial assets abroad in advance of the imposition of international financial sanctions on Belarus. In particular, in response to irregularities associated with the fraudulent March 19<sup>th</sup> Belarusian presidential election and related human rights abuses, the United States and the European Union have declared that diplomatic and financial sanctions will be imposed against President Lukashenko and other Belarusian senior regime elements, who may attempt to evade the sanctions by moving the proceeds of corruption, other misappropriated state assets, and proceeds acquired through illicit arms sales.

Consistent with their anti-money laundering program obligations pursuant to 31 C.F.R. part 103, financial institutions are reminded of the requirement to implement appropriate risk-based policies, procedures, and processes, including conducting customer due diligence on a risk-assessed basis to aid in the identification of potentially suspicious transactions.

Additionally, consistent with the standard for reporting suspicious activity as provided for in 31 C.F.R. part 103, if a financial institution knows, suspects, or has reason to suspect that a transaction involves funds derived from illegal activity or that a customer has otherwise engaged in activities indicative of money laundering, terrorist financing, or other violation of law or regulation, the financial institution should then file a Suspicious Activity Report.

Financial institutions are reminded also of their responsibilities regarding the provision of private banking services to non-U.S. persons pursuant to section 312 of the USA PATRIOT Act,<sup>1</sup> which requires banks, brokers or dealers in securities, futures commission merchants and introducing brokers in commodities, and mutual funds to establish and maintain a due diligence program for such private banking accounts that is reasonably designed to detect and report any known or suspected money laundering or other suspicious activity. Included in this requirement is the duty to conduct enhanced scrutiny of any private banking account that is maintained for senior foreign political figures, their immediate family members, or persons widely and publicly known to be close associates of such individuals in order to detect and report the proceeds of foreign corruption.

Finally, financial institutions are reminded that, pursuant to section 311 of the USA PATRIOT Act, the Financial Crimes Enforcement Network has issued a proposed rulemaking that included a finding that Infobank, one of the largest banks in Belarus and of which the Belarusian government is a principal shareholder, is a foreign financial institution of primary money laundering concern and that would seek to impose a special measure prohibiting the opening or maintaining of correspondent accounts for or on behalf of Infobank.<sup>2</sup> Additionally, financial institutions are advised that in February 2005 the National Bank of Belarus renamed Infobank. Infobank now conducts its business and other activities as PJSC Trustbank, which is headquartered in Minsk, Belarus.

This advisory is consistent with the Department of the Treasury's efforts to ensure that U.S. financial institutions are not used as a conduit for laundering the proceeds of financial and other crimes, including corruption. We encourage financial institutions worldwide to take similar precautions.

Financial institutions with questions about this advisory may contact the Financial Crimes Enforcement Network at (800) 949-2732.

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<sup>1</sup> See 71 FR 496 (Jan. 4, 2006); 31 U.S.C. 5318(i).

<sup>2</sup> See 69 FR 51973 (Aug. 24, 2005); 31 U.S.C. 5318A.