



## **International ACH Transactions Effective 9-18-09**

Every financial institution in the country has been counting the days until September 18 and anticipating the implementation of International ACH transactions. At The Bankers Bank, we have made the required changes and are ready for the big first day. While we don't know how many, if any, transactions will flow on that first day, or the days that follow, we have taken a step that we believe will be beneficial to you.

As your Third-Party provider, we have the ability to enhance ACH file delivery and we will **segregate domestic and international items and provide separate files**. This should allow you to easily identify international ACH payments and perform due diligence as required by the U.S. Office of Foreign Asset Control ("OFAC"). This service will be provided at no additional cost to you.

A couple of the questions you may have regarding the IAT changes are answered below. For additional information, feel free to contact Malinda Rickel or Kas Stewart at The Bankers Bank at 800.522.9220, or visit [www.treas.gov/ofac](http://www.treas.gov/ofac) or call 800.540.OFAC.

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**Q:** *What major changes can institutions expect with the new IAT SEC code?*

**A:** The IAT SEC code will be used for both consumer and corporate international ACH credits and debits. In addition to requiring data elements defined by the Bank Secrecy Act's (BSA) "Travel Rule," OFAC screening indicators will be included with each payment to help RDFIs identify suspicious payments. Furthermore, all international inbound transactions will allow the use of a secondary SEC code to further identify the file type for all WEB, TEL, ARC, POP, BOC, and RCK transactions where applicable.

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*Q: When will the new IAT SEC code become effective?*

**A:** The new IAT SEC code will become effective on September 18, 2009. This means that all items intended to process on that day must use the IAT code and contain all the new field requirements. After September 17, 2009, the CBR and PBR codes will no longer be accepted. Overlap of CBR and PBR codes will be allowed **for return and NOC items only** until December 31, 2009.

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*Q: Which banks will the IAT SEC code impact?*

**A:** The introduction of the IAT code will impact **all** U.S. financial institutions, including those that do not currently send or receive international payments, as any financial institution is a potential receiver of an IAT transaction.

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*Q: Will IAT files be differentiated in iWEB from domestic files?*

**A:** Yes, the IAT file will appear in red.

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*Q: Will IAT files be scanned for OFAC?*

**A:** Yes, IAT files will be scanned for OFAC violations and a report generated.

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*Q: Will there be an option for testing if community banks so request?*

**A:** Yes, The Bankers Bank will make an IAT test file available 9-4-09. This test is optional, not required.

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*Thanks for choosing The Bankers Bank for your correspondent services.*

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