

BSA VS. AML: KEY DISTINCTIONS

BANK SECRECY ACT (BSA)



U.S. law requiring financial records and reports to fight money laundering and terrorism.



Encompasses the foundational legal requirements for financial institutions and businesses.



Ensures financial transparency by requiring records and reports to detect illicit activity.



Requires records of cash purchases, reports over \$10K, and suspicious activity.



Overseen by the Financial Crimes Enforcement Network (FinCEN) and other federal functional regulators.

ANTI-MONEY LAUNDERING (AML)



A broader set of regulations, including the BSA, to protect the U.S. financial system from financial crimes.



Institutional programs to comply with BSA and AML laws.



Concentrates on establishing risk-based programs to prevent money laundering and terrorist financing.



Requires ID checks, due diligence, SARs, employee training, and independent reviews.



Overseen by FinCEN and other federal functional regulators, with a focus on AML/CFT Priorities.