



**SIFMA Anti-Money Laundering & Financial Crimes Conference**  
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**Welcome and Opening Remarks as prepared for delivery**  
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Good morning, and welcome to SIFMA's 15<sup>th</sup> Annual Anti-Money Laundering and Financial Crimes Conference.

As everyone in this room knows, robust and effectively implemented anti-money laundering and financial crimes compliance programs are integral to a firm's overall compliance. As our industry faces the various scandals that have brought new scrutiny, new regulations, and new questions from our clients and our regulators around the globe, institutions across the industry have become increasingly aware that good compliance is essential to staying in business. This increased recognition of the importance of the compliance function, in turn, means that strengthening compliance departments has become a top priority – and that's good thing.

Across the industry, firms are investing literally billions of dollars to build up their compliance departments – improving compliance and technological systems and processes, and hiring thousands of new employees. And while each firm is different, oftentimes compliance departments today have direct access to their firms' boards of directors and CEOs. As a result, compliance professionals have gained in stature.

At the same time that we've seen an evolution in firms' compliance departments and expectations, the role of the compliance function has become more complex, and in some ways less clear, as increased responsibilities are being assigned to compliance officers and increased attention to the compliance function is being paid by regulators and law enforcement. And while compliance departments that effectively partner with business leaders within their firms will likely have greater success in identifying, escalating and addressing both the activities of bad actors as well as potential legal and regulatory risks for their firms, the compliance function cannot bear supervisory responsibility for a firm's business activities. Let me be clear—business leaders are the front line supervisors of a firm's compliance with the law. We must remain mindful of the lack of clarity in this regard among some of the many global regulators that impact our industry. SIFMA will continue to work with our regulators and law enforcement to ensure that the role of the compliance advisory function, and potential bases for individual AML and compliance officer liability, are clearly delineated as our industry, the financial markets, and the regulatory landscape evolve.

Clear expectations will ensure that we do not disincentivize qualified compliance professionals or otherwise weaken the compliance function that is so critical, not just to firms' compliance with legal and regulatory requirements but also to preventing and detecting abuse of our financial system. As you know very well, the public's confidence in our financial system is being tested every day. As an industry, we must continually work together and with our partners in government to share best

practices and stay ahead of the bad actors who seek to exploit our financial system. The risk of bad actors abusing our financial system is one that we must remain ever-vigilant in guarding against, and one that all of you here today deal with on a daily basis.

In addition to sharing best practices, however, we as an industry must continue our engagement with government to ensure that regulatory requirements enable us to focus on doing the right thing, and not just on checking the compliance box to minimize regulatory or examination risk. The Department of the Treasury and FinCEN undertook extensive efforts to engage the financial industry on the topic of customer due diligence prior to issuing the CDD proposal last summer, and the proposal clearly was designed to address many of the concerns that industry had raised previously. We very much appreciate this effort, and we urge FinCEN, as it works to finalize the proposed CDD rules, to ensure that the final rules do not require compliance just for the sake of compliance, but rather give financial institutions the flexibility they need to focus on the real risks to their institutions, the financial system, and the safety and security of all Americans.

The role of AML and compliance remains as vital as ever to ensuring that our financial system remains safe, secure and vibrant, and enhancing our partnership with one another and with our regulators and law enforcement helps us work together to stop those who would exploit our financial system. That is why we are gathered here today, and why this conference is so important to many of you.

We will hear from some of our regulatory partners today, starting with our morning keynote speaker, Andrew Ceresney, the SEC's Director of Enforcement. At lunch, we will hear from John Smith, Acting Director of the Office of Foreign Assets Control at the Department of the Treasury.

We appreciate the participation of these speakers, and of all of our moderators and other speakers, at today's event.

I want to take a moment to thank my colleagues, Aseel Rabie and James Sonne, and the Conference Planning Task Force of SIFMA's AML & Financial Crimes Committee, for their help in putting together a truly substantive, thought-provoking and all-around great conference that I hope each of you will enjoy and find informative.

I'd also like to thank Meg Zucker and Sterling Daines, who are this year's co-chairs of the SIFMA AML & Financial Crimes Committee, and I ask that you join me in thanking Jeff Weiss, the outgoing co-chair of the Committee, for all of his work over the past two years.

Many thanks as well to all of our returning sponsors, and our new sponsors this year, for helping us to put on this event. We really appreciate your support.

Finally, on behalf of SIFMA, I want to thank each of you for your tremendous work and dedication. We are grateful for all that you do, each and every day, for our industry. Thank you.