

Important information concerning ACH Transactions

IAT (International ACH Transaction)

Effective September 18, 2009, changes will be made to the **Automated Clearing House (“ACH”) formats for International Transactions** pursuant to regulatory compliance guidelines established by the Office of Foreign Assets Control (“OFAC”) and the U.S. Department of Treasury’s Financial Crimes Enforcement Network (“FinCEN”). Violations of the OFAC regulations and the FinCEN regulations may result in both criminal and civil penalties which vary by sanction programs.

Florida Business Bank is not a Gateway Origination Bank and therefore, does not originate International Ach Transactions (“IAT”). All outbound ACH transactions are limited to domestic transactions, and all incoming IAT’s are subject to the OFAC regulations.

As a result of the implementation of these regulatory requirements, if you are the recipient of an ACH transaction from outside of the United States the following delays may occur:

- International ACH transactions may be delayed in accordance with NACHA and OFAC regulations in instances where an IAT originator is a match or possible match on the OFAC lists.
- Processing, settlement and/or availability of these transactions may be temporarily suspended if enhanced scrutiny or verification is determined necessary.

For additional information, contact our Customer Service at 321.253.1555

Frequently Asked Questions

Why were the NACHA Operating Rules related to International Payments changed?

Changes to the ACH formats and rules for cross-border payments were made in response to the request of the Office of Foreign Assets control (OFAC) and the Financial Action Task Force (FATF) Special Recommendation VII, in order to align NACHA rules with the requirements of the Bank Secrecy Act.

What is an International ACH Transaction (IAT)?

An International ACH Transaction is an ACH entry that is part of a payment transaction involving a financial agency’s office that is not located in the territorial jurisdiction of the United States. Specifically, an office of a financial agency is involved in the payment transaction if it:

- Holds an account that is credited or debited as part of a payment transaction; or receives funds directly from a Person or makes payment directly to a Person as part of a payment transaction; or
- Serves as an intermediary in the settlement of any part of a payment transaction.

What is a “payment Transaction?”

A payment transaction is a sender’s instruction to a bank to pay, obtain payment of, or cause another bank to pay or obtain payment of, a fixed or determinate amount of money to be paid to (or obtained from) a receiver. Payment transactions also include any and all settlements, accounting entries or disbursements that are necessary or appropriate to carry out the instruction.

As a corporate originator/receiver, do I have OFAC responsibilities?

ACH Receivers and Originators are subject to U.S. law, including OFAC sanctions. Originating Financial Institutions will obligate an Originating company or Third Party Sender through the warranties in their ACH origination agreement or terms & conditions. The Originating Company acknowledges that they may not initiate ACH entries that violate the laws of the United States. Florida Business Bank is not a Gateway Originating Bank and therefore does not originate International ACH Transactions (“IAT”). All outbound ACH transactions are limited to domestic transactions, and all incoming IAT’s are subject to the OFAC regulations.

What if I ignore my OFAC responsibilities?

OFAC violations carry penalties. These can be both criminal and civil and vary by sanctions program. Penalties can include:

- Imprisonment of the employee (10-30 years depending on the program),
- Fines per count to corporate and individuals (\$10,000 - \$10,000,000 per count), and forfeiture of property

If you have any questions, please contact us: 321.253.1555

