

COMPASS

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Chartwell Compliance delivers powerful solutions to complex regulatory, licensing, and compliance challenges experienced by fintech and financial services companies. Chartwell has served nearly 500 firms ranging from Fortune 50 to fintech's biggest unicorns throughout the world.

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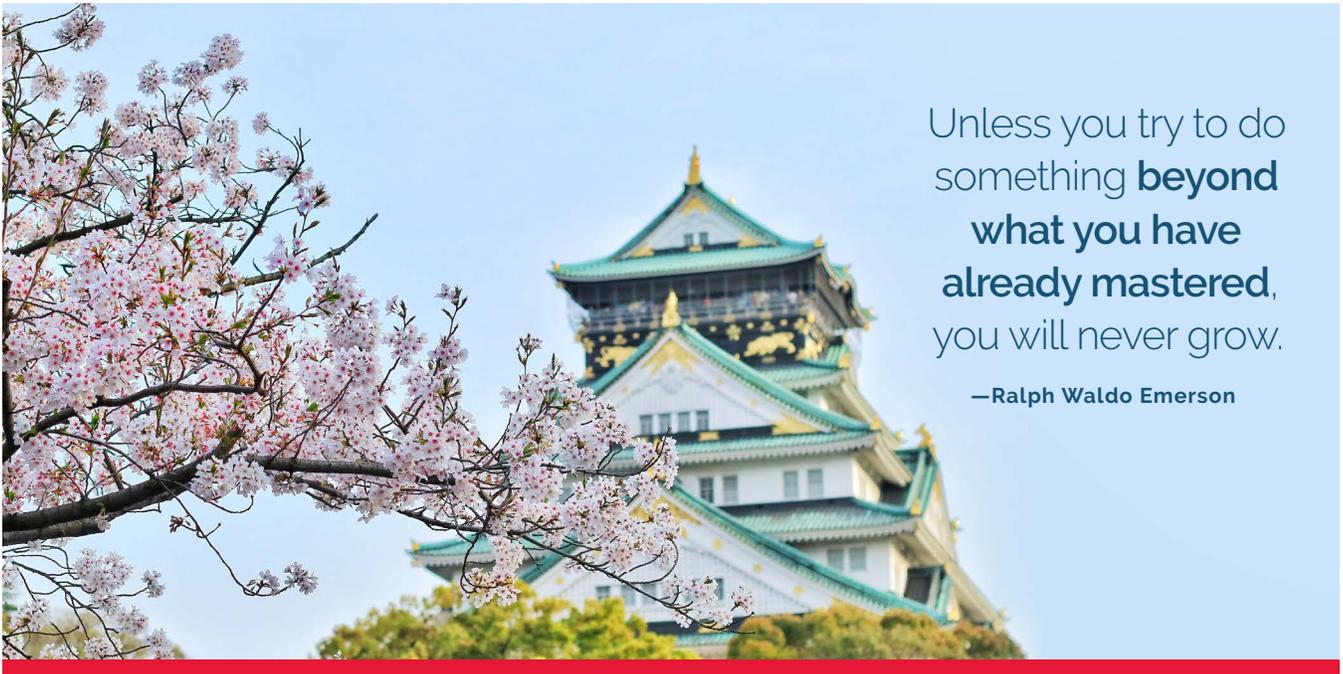
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Unless you try to do something **beyond what you have already mastered**, you will never grow.

—Ralph Waldo Emerson

Touching the Hearts and Minds of Individuals

By Daniel Weiss

Chartwell is pleased to announce the creation of a new business, Chartwell Futures. It will operate as a division alongside Chartwell Compliance under the overall umbrella of the newly branded parent organization, Chartwell Foresight. Chartwell Futures is dedicated to proactively sparking change and innovation through the delivery of customized programs. Futures programming will enable people to affect positive change within themselves as well as to their organizations, their communities, and the Earth.

Through inspired and inspiring experiential learning, coaching, and team building, Futures programs will satiate the human desire for exploration, adventure, self-actualization, public service, and proximity to nature. Our programming benefits present-day people and nature while protecting future generations, and respecting and paying homage to our legacies, heritage, and history.

The main benefit of Futures programs is that it will give both adults and youth key enabling spaces and sparks to help them discover and confidently act on dormant or underutilized potential. Organizations will benefit from higher-achieving, longer-tenured, more satisfied employees. Chartwell Foresight has proven experience with nearly a dozen years of implementing many of these exact programs for its own remote-based workforce of over 80 employees.

Winner of innumerable industry awards for company culture and talent development, Chartwell Foresight's new business brings to you the same tried-and-true unique elements that carried Chartwell and its staff to success while Chartwell thrived amongst the many challenges faced today, both in society and business. Chartwell experienced zero turnover over a recent three year period, even while joining the 2021 Fortune #29 Fastest-Growing publicly-traded company MVB Financial.

Chartwell Futures will be a remedy for the growing human disconnection and lack of critical thinking resulting from computer and phone screen time, social media usage, the pandemic, and remote workplaces. The programs work to combat the extinction and endangerment of irreplaceable natural and historical places and resources. As a trusted partner, Futures will be the solution to the limited and unoriginal range of options available for learning transformation.

Our unique field-based experiences center around diverse themes such as the Civil Rights Movement, the coral reefs, Israel nation-building, the Civil War, and Japanese culture. Our immersive courses cover areas such as critical writing, emotional intelligence, and leading change and taking action. Chartwell Futures programming will challenge participants to reflect, transform, and make a true impact on their potential in all aspects of their lives.

Futures aims to produce reflective, impactful "leaders" - leaders who are more than just "managers," "team captains," or "executives" in the traditional Western sense of the term. Rather, these are "leaders" who, regardless of their professional aspirations, desire to be "leaders" of their own lives - leaders who take charge of their own learning, destinies and legacies, communities, and natural habitats, and heritage.

The collection of Futures experiences and courses will be offered under the brand name "Chartwell Futures Academy." For youth, these programs will be under "Chartwell Futures Junior Academy."

Programming will begin in English and soon thereafter develop into other languages.

INSPIRING EXPERIENCES ALL OVER THE GLOBE TO SPARK DISCOVERY AND TRANSFORMATION

Futures Experiences will generally last three to ten days at sites worldwide renowned for their natural beauty, wildlife, history, or culture. Each Experience will have 10-20 participants led by skilled faculty composed of a group coaching facilitator, subject matter experts, and an onsite Futures program coordinator to ensure guests receive an operationally flawless, five-star service experience.

Chartwell Futures Programming

Experiences to awaken your personal journey:

Alaska Expedition

The American Civil War

*Making a Difference:
the Fight for African American Civil Rights*

Coral Reefs Dive Expedition, the Maldives

The American Founding Fathers

Israel Nation-Building

*Order, Beauty, and Commitment: Kaizen, Samurai,
Ryokans (inns) and Japanese Culture*

The Well-Balanced Athlete – Lanzarote, Canary Islands

Native Chesapeake

The novel places, people, and topics studied in Experiences have been selected to provide inspiring "so-what" metaphors. The unique value and twist of Futures Experiences will be the faculty-led group reflection and integration sessions occurring throughout each Experience. Each daily group session will address the challenges, fears, and dreams each participant faces personally and professionally. Participants will become mentors and mentees not only during but long after the Experience has ended.

As an example, a chartered liveaboard diving expedition in the Maldives or Palau will expose participants to coral reef marine biology, while also reflecting on the reef's commonalities with life. After each dive, participants come together in the yacht's meeting room overlooking the ocean to debrief and examine the connection we share. Participants will leave having explored the many elements of these different ecosystems, from understanding symbiotic relationships, to assessing and managing risks, to the importance of cooperation amongst diverse stakeholders at home and work.

A day spent on the Gettysburg battlefield might end in a beautifully-kept inn that was used during the campaign, where the group would dissect topics learned during the day. The discussions on communication, contingency planning, supply chain

management, leader-follower relations, risk-taking, and cognitive dissonance would prompt reflections on giving effective instructions, having backup plans and redundancy, going outside comfort zones, persevering through adversity, managing morale, and how the smallest of actions and most unsuspecting individuals can have a far-ranging impact at home and at work.

A triathlon boot camp entitled "The Well-Balanced Athlete," held at a world-class sports camp in Lanzarote, Canary Islands, led by a noted triathlete and facilitated by a group coaching professional, would focus not only on each participant's running, cycling, and diet, but also their mental capacities. The key element of the boot camp is the daily synthesis session where the facilitator would parlay themes covered that day into profound group reflections on how these topics are (or aren't) tackled by participants in other parts of their lives. The group will reflect upon topics such as battling through difficulties, achieving flow, overcoming comfort zones, mentalizing big challenges and breaking them down into their component parts, turning negatives into positives, preparing logistics safely ahead of time, re-fueling, risk-taking, risk-mitigation, and work-life balance.

COURSES THAT SPARK CHANGE-MAKING, CRITICAL THINKING, AND GOING BEYOND YOUR COMFORT ZONES

Chartwell Futures Programming

Courses to expand your self-awareness:

Critical Writing and Thinking

Chess and Critical Thinking

Kaizen Fundamentals at Work and Home

Finding And Acting on Your Purpose in the World

Fundamentals of Emotional Intelligence

*Fundamentals of Networking and Social
Interaction on the Open Floor*

*Fundamentals of Non-Verbal Language and
Communicating Across Cultures*

Leading Change and Taking Action

*Methods for Self-Actualization, Self-
Awareness, & Breaking Comfort Zones*

Fundamentals in Organizational Psychoanalysis

Futures will offer a range of courses on less-commonly addressed topics that are critical to harmonious coexistence and connectivity, while giving people the tools to make and lead positive change in their homes, communities, workplaces, and the Earth. Courses will be led by a subject matter expert and will be held initially by Zoom, with some eventually offered in person. Courses will emphasize critical writing and thinking, emotional intelligence, social networking, building confidence to jump outside of one's comfort zones, and realizing one's self-actualization.

OUTSOURCE YOUR TALENT DEVELOPMENT AND GIVE YOUR EMPLOYEES AND COMPANY A UNIQUE LIFT

Organizations that aspire to give employees, key clients, and backers of their own companies' unique competitive upward mobility, can outsource some or all their talent development functions to Chartwell Futures. Chartwell Futures corporate clients can create their own white-label "University" with a syllabus of offerings, leaving the design, operational execution, and management of the programs to be powered by Chartwell Futures. Programs will consist of a mix of Chartwell Futures Experiences and Courses, coupled with the company's own unique offerings, all developed and customized with the preferences and needs of the company.

CORPORATE RETREATS AND OUTINGS

Chartwell Retreats and Outings

Since 2011:

C U Lazy Ranch Colorado

Chincoteague and Assateague VA

The Chesapeake Bay

Vail, CO

Gettysburg and Antietam Battlefields

Normandy, France D-Day Landing Fields

Washington, DC

Coronado, San Diego and La Jolla CA

San Juan, PR

Pittsburgh, PA

New York, NY

After nearly a dozen years' experience implementing three- to ten-day company retreats and outings for employees, clients, and partners, Chartwell has perfected the complex job of designing and running operationally smooth, inspiring corporate meetings. We offer these capabilities to you: from creation to delivery where Futures will act as a logistical "airport traffic control tower" for your company retreats and outings. Chartwell, an entirely remote business operating in a high-stakes, high-pressure work niche, has made its own retreats and outings key differentiators in its toolbox. Going well beyond attracting, developing and retaining its employees, these programs have inspired corporate planning and problem-solving, aided in attracting and retaining key clients, kept morale and team alignment high, developed and solidified partner relationships, and have been foundations to fun and meaningful team-building.

CERTIFICATION, LOYALTY, DISCOUNT AND PROGRAMS

To enhance the value and uniqueness of its programs to customers, individuals will have the chance to earn professional certifications upon completion of Chartwell Futures Academy programs.

Exclusively designed and offered by Futures, examples of the certification categories include Personal Transformation, Organizational Transformation, Corporate Responsibility, Preservation and Conservation, and Talent Development.

Futures is also creating a branded loyalty program, The Navigators Club. The club will recognize customer engagement with Futures at every touchpoint, from annual and lifetime participation, to referrals, to participation in programs that are complementary to specific Futures programming (e.g., fundraising for conservation and preservation). The Navigators Club will create a new paradigm in loyalty programs, with a primary focus on recognition and a secondary focus on rewards. The club will serve to develop deep, partnerships that drive repeat business, referrals, and long-lasting relationships. Customers will have the chance to earn non-monetary recognition and surprises, as well as earn rewards that can be used for future purchases or donations to charities. The Navigators Club will celebrate and recognize customers not with conventional "what's in it for me" monetary benefits seen in loyalty programs today, but in ways that champion the global mission and vision backed by Futures and its customers.

THE FUTURES TEAM AND FACULTY

To ignite this ground-breaking vision, Futures' founding full-time team unites management-level talent pulled from Marriott International and the Four Seasons Hotels and Resorts, along with founding CEOs of start-ups that grew into market leaders in their respective niches. Team members are specialists in hospitality, human resources, marketing, mental health, corporate development, and group coaching. Amongst the team are PhDs in wellness and international affairs, seasoned historians, travelers, wilderness junkies, and All-American level athletes. They all have a passion for education, instilling change, high achievement, and the thrill of innovation.

Futures' facilitators and subject matter experts are leaders in their respective areas, such as an endowed professor in national security from the U.S. Army War College, a marine biologist/divemaster from the University of Texas - Austin who publishes in the journal Science, the former long-time Chief Historian of Gettysburg National Military Park, a former six-time Ironman Triathlon World Champion, and group coaching and psychoanalysis specialists trained at INSEAD business school.



INTERESTED? CONNECT WITH OUR CEO!

The Future starts today. To learn more about these opportunities for your organization or yourself, contact Chartwell's CEO Daniel Weiss at dweiss@chartwellforesight.com. To sign up for updates, [click here](#) to join our mailing list.



Are you a Money Service Business (MSB)?

By Jesus Torres

The Financial Crimes Enforcement Network ("FinCEN") defines a "money services business" as any person doing business, whether or not on a regular basis or as an organized business concern, in one or more of the following capacities: Currency dealer or exchanger, Check casher, Issuer of traveler's checks, money orders or stored value, Seller or redeemer of traveler's checks, money orders or stored value, money transmitter, and U.S. Postal Service.

An activity threshold of greater than \$1,000 per person per day in one or more transactions applies to the definitions of: currency dealer or exchanger; check casher; issuer of traveler's checks, money orders or stored value; and seller or redeemer of travelers' checks, money orders or stored value. The threshold applies separately to each activity -- if the threshold is not met for the specific activity, the person engaged in that activity is not an MSB on the basis of that activity.

No activity threshold applies to the definition of money transmitter. Thus, a person who engages as a business in the transfer of funds is an MSB as a money transmitter, regardless of the amount of money transmission activity.

Notwithstanding the previous discussion, the term "money

services business" does not include a bank, as that term is defined in 31 CFR 1010.100(d) or a person registered with, and regulated or examined by, the Securities and Exchange Commission or the Commodity Futures Trading Commission.

Money Services Business: "[D]oing business, ... in one or more of the following capacities: Currency dealer or exchanger, Check casher, Issuer of traveler's checks, money orders or stored value, Seller or redeemer of traveler's checks, money orders or stored value, money transmitter, and U.S. Postal Service."

If you offer any of these services to consumers or meet the threshold, you are considered a Money Service Business (MSB) and should comply with State and Federal regulations. For more information visit www.fincen.gov.



JESUS TORRES, VICE PRESIDENT - LICENSING AT CHARTWELL, serves as a subject matter expert on all affairs related to state regulatory licensing and compliance. Jesus's deep knowledge and expertise will assist in providing guidance and oversight in the acquisition and maintenance of money transmission and consumer lending licenses. This also includes addressing outstanding/deficient issues identified through the license acquisition process, evaluating, and remediating regulatory infractions, providing state regulatory examination support, and practical know how related to keeping licenses in good standing with state regulators. For more information, contact Jesus at ✉ jtorres@chartwellcompliance.com.



Due Dates: Are They Hard Deadlines or Merely Suggestions?

By Kayla Burke

Often Licensees' view the biggest hurdle when going through the process of obtaining a State License is getting the license itself. The thought is typically, once the license is approved, the hard work is done. Unfortunately, the hard work does not stop there. The various types of State licenses, not limited to Money Transmitter, Gaming, Debt Collection, Consumer Lending, Mortgages, and the many other numerous types of State licenses out there, have a wide range of reporting obligations mandated by State statutes and/or rules/regulations. In addition, these State statutes and/or rules/regulations have deadlines and/or due dates that are outlined to assist

with determining when the reporting is required to be filed with the state and by what means.

When a Licensee is approved, a State will not always outline the all the reporting obligations that the Licensee is responsible to complete at the time of licensure. The responsibility for locating all responsibilities falls onto the Licensee to conduct this research in the various State statutes and/or rules/regulations to make note of what applies and to track/maintain the appropriate company records. The various States where the Licensee is licensed will then review these records either on a monthly, quarterly, semi-annual, annual or during examination basis, depending on the document and state, again the responsibility for tracking which record falls into which category falls onto the Licensee the various States will not supply this information at the time of licensure.

This brings us to our title... are the deadlines hard deadlines or merely suggestions? If you take anything from this article, please take this that if the deadline is written in State statutes and/or rules/regulations Chartwell Compliance does not recommend

The responsibility for locating all responsibilities falls onto the Licensee to conduct this research in the various State statutes and/or rules/regulations to make note of what applies and to track/maintain the appropriate company records.

missing this deadline or viewing it as a mere a suggestion. These deadlines should be viewed and relayed to internal stakeholders are hard deadlines that must be met. It is highly likely that missing the deadlines will result in negative effects for Licensee's either at the time of the missed deadline or during future examinations.

While the amount of reporting obligations and responsibilities that come with approved licenses is immense, there are experts like Chartwell's license maintenance team who specialize in maintaining various types of state licenses who are available and happy to help. We have a wide variety of experience, knowledge and range of tools that allow us to stay on top of industry reporting updates, report tracking, material reporting, etc.



KAYLA BURKE, ASSISTANT DIRECTOR AT CHARTWELL, brings over 14 years of experience in banking, state money transmitter and lending license acquisition along with obligatory license maintenance. Kayla is a certified Paralegal who has experience with contracting and database management for regulatory, operational, intellectual property as well as corporate and commercial matters. For more information, please email Kayla at [✉ kburke@chartwellcompliance.com](mailto:kburke@chartwellcompliance.com).



The Most **Crypto** Friendly Cities

By Maria Padilla

Over the past few years, cryptocurrency has grown globally due to the acceptance of the blockchain and the cryptocurrency concept in general. People and corporations worldwide want to join in on the hype. Large corporations like Microsoft, Wikipedia, Starbucks, Newegg, Amazon, and PayPal are now accepting Bitcoin as payment for goods and services on a global scale. Bitcoin has also become more accessible via ATM machines in the U.S. and in numerous countries. People can buy bitcoin and other cryptocurrencies using cash or a debit card at Bitcoin ATMs. The evolution of cryptocurrency has also caught the attention of governments and lawmakers around the world. Enforcement agencies and regulators globally are still debating on how to control and regulate it while others are banning or limiting its use; in addition to figuring out ways to make cryptocurrency safer for investors and less appealing to cybercriminals. Efforts for a regulatory framework, crypto payment acceptance, and ease of access are what make a city and country crypto-friendly.

Have you ever considered expanding your cryptocurrency business to other countries? Not sure where to start? Let me share with you the places that have embraced cryptocurrencies and their complexity. Even though some countries may debate the reliability of cryptocurrency, other countries are accepting it. The advantage in these countries is the legal framework that some have established to ensure they understand it and control it. When it finally becomes a legal currency worldwide, these countries will be a step ahead. Read on to learn about the different aspects that make these cities appealing to cryptocurrency businesses and the regulations that are applicable in these jurisdictions.

The following are the top crypto-friendly places in the world:

SAN FRANCISCO, UNITED STATES

San Francisco is the epicenter of technological companies, organizations, and startups. Even though it is known as a tech hub it is also a cryptocurrency hotspot as it holds the highest number of cryptocurrency and blockchain companies in the US. It is home to a few cryptocurrency trading platforms like Coinbase, OKCoin, Robinhood, and Kraken. In addition, cryptocurrency-related events such as the ACAMS FinTech & Crypto Summit, the annual Bitcoin Conference, Blockchain Week, and numerous others are also hosted in San Francisco. Various locations in the city such as Spiazzo Ristorante, Chome, and You See Flowers at UC Medical Center also accept cryptocurrency as payment. There are approximately 478 Bitcoin

ATM locations in the city. Some of the Bitcoin ATM providers include Bitcoin Depot, Coin Cloud, and CoinFlip, among others. Even with embracing this concept and technology in San Francisco and other parts of the country, the US currently has ambiguous formal rule-making. The federal agencies that have acknowledged the need to maintain a leading role in the development of the technology include the Office of the Comptroller of the Currency (the "OCC"), the Financial Crimes Enforcement Network ("FinCEN"), the Securities and Exchange Commission (the "SEC"), the Internal Revenue Service (the "IRS"), and the Commodity Futures Trading Commission (the "CFTC").

ZUG, SWITZERLAND

Crypto Valley is the name given to Zug in Switzerland because of its friendly blockchain and cryptocurrency regulation. Zug became the first city to accept Bitcoin for tax payments and has become a popular zone of investment and entrepreneurial activity. The Crypto Valley Association was also established there in 2017. In September 2021, the Swiss Financial Market Supervisory Authority ("FINMA") approved the country's first fund, "Crypto Market Index Fund", which invests primarily in cryptocurrency assets. According to FINMA, "the fund may only invest in established cryptocurrency assets with a sufficiently large trading volume. Furthermore, the investments must be made through established counterparties and platforms that are based in a member country of the Financial Action Task Force ("FATF") and are subject to corresponding anti-money laundering ("AML") regulations." FINMA is

"When [a cryptocurrency] finally becomes a **legal currency worldwide**, these countries will be a **step ahead**."

Switzerland's financial regulatory authority overseeing Switzerland's financial markets and service providers. The Swiss Federal Tax Administration ("SFTA") is the Swiss tax authority. SFTA has classified cryptocurrencies as private wealth assets and are to be declared in annual tax returns. In addition, the Blockchain Act was enacted in 2020 to pave the way for Distributed Ledger Technology ("DLT"), which is a blockchain technology. The DLT Act adopts Switzerland's ten existing federal laws and aims to improve conditions for blockchain and DLT companies. Online shops in Switzerland, Galaxus, and Digitec, now accept cryptocurrencies through Coinify, a virtual currency platform. People in Zug can also buy and sell Bitcoin at approximately 148 Bitcoin ATM locations controlled by Vardex and Bity. The second-largest number of ATM location is in Zurich with 48 Bitcoin ATMs.

TORONTO, CANADA

Did you ever think you could buy a beer with crypto? Now you can with Bitcoin, Ether, and Litecoin at Toronto Brewing. HGregoire, a car dealership, is also accepting cryptocurrency payments. Luxury jewelry retailer, Birks Group, accepts cryptocurrency at some of their store locations through the BitPay platform. Canadians also have access to approximately 2,439 Bitcoin ATMs nationally, 847 of them located in Toronto alone. In an effort to build a robust and balanced national strategy for cryptocurrency and digital assets, Canada has formed a non-profit trade association, the Web3 Council, which collaborates with policymakers. The Council includes representatives from companies like NBA Top Shot maker Dapper Labs, Wealthsimple, WonderFi Technologies, Aquanow, Chainsafe Systems, Cosmos developer Informal Systems, Ledn, Ether Capital, ETHGlobal, Figment, and Axiom Zen. Canada also launched the world's first spot Bitcoin Exchange Traded Funds ("ETF") in 2021 which started trading on the Toronto Stock Exchange. Bitcoin ETFs are a type of investment security that tracks the price of one or more digital tokens. They are traded on exchanges and can be bought and sold like a stock through a traditional brokerage account. Canada also requires cryptocurrency exchanges to register with the Financial Transactions and Reports Analysis Centre of Canada ("FINTRAC") and are subject to the same due diligence, reporting obligations, and verification as money service businesses ("MSBs") dealing with fiat currencies. Canadian tax laws and the Travel Rule are also applicable to cryptocurrency transactions. When cryptocurrency is used to pay for goods or services, it is taxable. The Travel Rule went into effect June 1, 2021, and it applies to financial entities ("FEs"), MSBs, foreign MSBs ("FMSBs"), and casinos. The rule requires that specific information such as the name, address, and account number/reference number of the requestor and beneficiary are included in an electronic funds transfer ("EFT") or a virtual currency ("VC") transfer.

LJUBLJANA, SLOVENIA

Amongst all Bitcoin friendly European countries, Slovenia is ranked number one. The Slovenian government has even officially declared their encouragement toward Bitcoin and other cryptocurrencies. Ljubljana, also known as the Bitcoin City, has established a Bitcoin-friendly environment. It has one of the largest shopping centers, BTC City, which includes over five hundred stores including sports and entertainment. Bitnik, SkyEye, and Trend plus BTC City are the Bitcoin ATM operators in Ljubljana with thirteen locations in the city. In addition, there are over 1,000 locations in the country that accept cryptocurrency payments including cafes, restaurants, dentists, hair salons and hotels. Slovenia's Financial Administration ("FURS") has proposed a crypto tax bill of 10% tax enforced on any transactions when cryptocurrencies are spent on goods or exchanged for cash. This bill aims to streamline the conversion of crypto assets into fiat currencies process. Individuals will be taxed at a rate of 10% on their income. However, no other cryptocurrency regulation is currently being proposed in the country.



MARIA PADILLA, COMPLIANCE ANALYST AT CHARTWELL, brings more than seven years of experience in the Money Services Business industry. Before joining the team, she served as a compliance analyst at Associated Foreign Exchange, Inc. (AFEX), where she onboarded new customers and performed payment screenings. Prior to AFEX, Maria also specialized in customer / merchant onboarding as well as performing ongoing due diligence at Sigue Corporation, where she led a team of analysts located in Mexico. Her core duties included risk management and she also focused on developing and reviewing policies, and program procedures of the company, such as Office of Foreign Assets Control (OFAC) screening, and also participated in multiple mergers and acquisitions activities. For more information, contact Maria at [✉ mpadilla@chartwellcompliance.com](mailto:mpadilla@chartwellcompliance.com).

BUENOS AIRES, ARGENTINA

When we think of Argentina, we think about the greatest footballer of all time, Lionel Messi, not a crypto hub for Miners. Cryptocurrency was adopted to protect against inflation and bypass exclusions on transfers of foreign currency outside its borders. Miners are taking advantage of the current inexpensive subsidized electricity rates. Bitfarms, the Canada-based Bitcoin mining company, plans to buy energy directly from a private power company in Argentina which will make them the largest BTC mining facility. Buenos Aires currently has 9 Bitcoin ATM locations run by Athena Bitcoin. Currently, there is next to no regulation of Bitcoin or cryptocurrency other than a 0.06% tax on purchases and sales. However, recent developments suggest that Argentina may begin to regulate cryptocurrency firms by including them in the country's AML regulations. Argentina's Financial Intelligence Unit ("UIF") is considering adding cryptocurrency companies to the list of entities that must follow KYC standards and submit AML reports.

In conclusion, crypto-friendly cities have positive views of cryptocurrencies. The popularity of digital assets like Bitcoin, Ether, and XRP has risen significantly in the last year, leading to a spike in the number of locations offering the possibility to pay in cryptocurrency. Adherence to regulations and the security of digital assets is gaining importance. More and more countries are implementing regulatory sandboxes that allow authorized businesses to evaluate innovative products, business models, and services related to cryptocurrency.

These cities are attempting to make cryptocurrency part of their daily life. They want to become the best Bitcoin City and make cryptocurrency accessible to everyone via Bitcoin ATMs. Purchases of goods and services using cryptocurrency are also being accepted on a large scale. The above mentioned is what separates these cities from the rest. Not many countries are as accepting of digital currencies known to be risky. Nevertheless, they are adopting it and learning its risks while implementing measures to control it, protect consumers, and the financial systems from being exploited. In the long run, these countries can serve as a guide to other countries for the adoption of cryptocurrency and to establish meaningful controls and regulations around their use and acceptance.

In this ever growing and evolving regulatory and technological landscape, Chartwell Compliance can assist you with the requirements and best practices necessary to enter the expanding cryptocurrency market in a compliant manner. Our team of experienced compliance professionals can assist with licensing and registration requirements, assist in the development and implementation of policies and procedures, and assist in the day-to-day operation of your compliance program such as customer onboarding, sanctions screening, and transaction monitoring and reporting needs.

<https://coinatmradar.com/>

<https://www.newsbtc.com/crypto/slovenia-proposes-tax-on-crypto-income/>



Sanctions Fines— Tips for Fintechs

By Mark Wasylechko, CAMS, CBP, CAIA

INTRODUCTION

Between December 30 of 2020 up to April 4, 2022, OFAC issued twenty-four fines to a variety of companies and no surprise to those of us that work with Money Services Businesses (“MSB”s), several of these were to fintechs.

We’ll look at the fines, the total value of which is more than \$25 million. We offer a view of the enforcements, tease out some practical lessons based on our experience with fintechs and MSBs and OFAC controls, and iterate a concept to keep in mind as you consider controls over your organization’s dealings around the world.

Even if you’ve already read the enforcement releases from OFAC, this article will add some perspective. If you are at a fintech and if you’re a Virtual Asset Service Provider (“VASP”), there are at least two great freebies here that you’ll be pleased to learn or happy to confirm that you’re already in the know.

TYPES OF INSTITUTIONS BEING FINED

The twenty-four fines were distributed across the following types of institutions:

- ▶ 5 banks and financial intermediaries
- ▶ 9 manufacturing-type companies
- ▶ 2 software as a service companies
- ▶ 5 MSBs
- ▶ 1 individual

Of those five MSBs, four were fintechs, and of those fintechs, two were VASPs. Most (nine) of the enforcement releases indicate the transgressions were self-disclosures where the companies came forward on their own, so we can’t deduce that OFAC has its sights set on MSBs more than any other organizational type. On the

other hand, three of the five MSB fines were NOT self-disclosed and neither of the VASPs self-disclosed. Let’s take a look at the nature of these enforcements, and the lessons they teach us.

“EXTRA” EXTRATERRITORIAL

Briefly, for the manufacturing-type companies, most of the fines were re-export situations. For example, a US company or company with a nexus to the US, ships its products to Italy, and the Italian organization gets the product to Iran or some other sanctioned country, perhaps an employee erases a reference to the sanctioned country to help the shipping process go smoothly. The bank fines were a mixed bag of stripping, FX transactions, correspondent banking, and staff failure. Worth quoting from these actions is OFAC’s statement on the root cause of one of the violations being “lack of understanding of the scope of U.S. sanctions regulations applicable to financial institutions without a physical presence in the United States.” From this, Tip one is that if it involves a US company or bank, is designed in any way to support a sanctioned entity, or if it touches even a single US dollar or dollar payment, OFAC applies.

The software company fine¹ is interesting as its cloud-based service was eligible for a fine merely for being accessed from a sanctioned country. These were services sold to global customers that allowed individuals in a sanctioned country to log on and use the service. There’s more to the story than a few logins from Tehran, but what a great example of OFAC’s extraterritorial reach. Tip two? For fintechs that offer services and payment options on the internet or in the cloud, thinking about OFAC in terms of countries and crossing borders is more relevant to the shipping or export companies noted earlier. Think instead of your exposure to countries in any form ranging from electronic communication and email, extending access, or allowing downstream transactions to take place. Perhaps think in reverse - how would someone in a sanctioned region gain access to any part of your ecosystem?

THE MSB TRANSGRESSIONS

Of the MSB fines, the traditional MSB, a well-known national brand you would surely recognize, encountered a very unique situation.² The MSB was extending services that allowed prisoners in the Federal prison system to send and receive funds out of

1 Enforcement action dated April 29, 2021 for \$2,132,174.

2 Enforcement action dated April 2, 2021 for \$34,328.

their commissary accounts. The company knew that some of the inmates might be sanctioned though "...erroneously believed that such screening of inmates in federal prison was not expected."

Is there even a lesson here from this unusual and highly specific circumstance? Perhaps Tip three is that for each OFAC decision, you need to take some action. One action is that you'll screen the information you have and list the control on your AML Risk Assessment ("R.A."). A second action is to not screen, support why not, and list the risk on your R.A. for Board acceptance. Risk acceptance prompts discussion and challenge, and that process may have revealed to the MSB that it should be screening.

A second MSB fine was also fairly unique.³ The MSB started facilitating payments for Cuba related travel including housing and tourist experiences in 2015 when Cuba sanctions were somewhat loosening. The MSB was not expert in navigating payments amongst partial and evolving sanctions programs, and had various makeshift and manual controls to support the Cuba-related services. Those controls were not sufficiently evaluated and updated over time and eventually failed. Especially considering the rapidly evolving sanctions concerning Russia, the Ukraine and North Korea (with three related fines in recent months), the lesson here is to recognize the significant investment in governance, oversight and monitoring for any activity involving sanctioned regions.

The fine for the MSB fintech payments company,⁴ big global company, offers us a simple and actionable lesson, starting with list screening implementation – the fintech just did not have great screening or oversight of screening. One item in particular, however, offers a more practical lesson, and that is that the company did not include Bank Identifier Codes ("BIC"s) codes on the lists they screened against.

We've found that the myriad of vendors and the variety of lists, misunderstandings of how weak alias names are used, the complexity of scanning algorithms and other factors has created a belief that it's enough to simply have a screening engine turned on. That's called "checkbox compliance" and we do not recommend it. We've seen VASPs rely on custodians or other partners to do name screening without knowing exactly what lists they are using or on what frequency they are scanning. We've seen the same kind of assumption happen for PEP screening (Canadian companies take note – handling PEPs in that country is highly defined).

Tip 4 is: confirming that screening is happening on customer names and on transactions is not sufficient, and your agreements with your partners should be explicit as to what they are doing for you. As a best practice, have it detailed in the agreement. As a rule of thumb, you should at least be able to describe what your partner is doing beyond "they're doing it"; what lists and how many are they using, when and how often is the screening and how often are lists updated, how does the screening algorithm work and what is the name of the screening engine, how do they

disposition potential matches? If your contact can't tell you these basic facts for your understanding, insist on speaking with someone who can.

THE VASPS AND THEIR IPS

Best for last, the two VASPs were fined⁵ for similar reasons – basically, they had IP information available to them, and they did not use that information to support their sanctions controls. They could have blocked IP addresses to a greater extent than they did – the 2020 action describes that the Company had IP addresses for security purposes, to control customer logins, and they should have leveraged that information for OFAC screening. The fifth Tip? If you have the ability to detect or have the data that can be used to identify any nexus to a sanctioned country, use it. Remember Tip 2, also, that if you have the information, either you screen it, or you decide not to screen it and accept the risk.

The 2021 enforcement release offers us the same lesson, but also highlights another fallacy we've heard, that "it's not OUR customer!" The VASP was doing everything right – screening its customers, but not its customers' customers. They had the information though. Therefore, they also had the ability to screen that information and could have / should have prevented the activity.

And, as a lesson not from us but from OFAC itself, both of those VASP enforcement releases offer great ideas on how your VASP can implement effective sanctions screening and OFAC programs. If you are working at or with a VASP, and you have accountability for your OFAC Compliance Program, these OFAC enforcement actions provide valuable information on how you may be able reduce your own company's risks.

THINK DEALINGS, NOT DOLLARS

Through all these OFAC enforcements is a common theme. My good colleague reminded me recently as we worked on the sanctions policy for a European company (fascinatingly, an in-game virtual asset NFT marketplace). The company had pretty good controls over its transactions and also over the IP addresses accessing its platform. The reminder, though, was that it's not all about transactions and name screening, that the opportunity to fall afoul of sanctions goes beyond these and to any "dealings with" sanctioned countries and entities.

Some of the fines we've reviewed are pretty clear sanctions violations, some are less clear. We hope this article and the lessons we've offered help clarify this "dealings with" concept, and we wish you and

your teams the very best as you implement, augment, tune, tailor, upgrade and most importantly, staff, your sanctions compliance teams, programs and systems.

³ Enforcement action dated January 3, 2022 for \$91,172.

⁴ Enforcement action dated July 23, 2021 for \$1,400,301.

⁵ Enforcement actions dated December 30, 2020 for \$98,830 and February 18, 2021 for \$507,375.



MARK WASYLECHKO, CAMS, CBP, CAIA, COMPLIANCE DIRECTOR AT CHARTWELL, brings more than twenty years of technology and banking experience to the team. Focused on AML operations and program execution for the bulk of his career, Mark has conducted or overseen tens of thousands of investigations ranging from low-risk alert clearing to trans-national criminal and terrorist financing activity reviews. He also has significant experience, interfacing with central banks on matters related to anti-money laundering and sanctions compliance in North America, Europe and the Asia-Pacific regions including training ministry and central bank employees on U.S. dollar clearing institution requirements for foreign bank customers. For more information, contact Mark at [✉ mwasylechko@chartwellcompliance.com](mailto:mwasylechko@chartwellcompliance.com).



Culture of Compliance

By Anne Walton, CAMS

Start-up businesses usually have a lot of balls in the air. Fledgling companies move at warp speed as they try to adapt and survive in a competitive environment. Start-ups must simultaneously attempt to develop products, raise funds, get licenses, establish bank accounts, and hire the right employees to achieve these crucial tasks in a timely and efficient manner.

Yet start-ups also have many advantages when seeking market entry. Not only are these new entrants nimble, but their low-cost structures allow them to operate sustainably where incumbents could not. Compliance, however, can seem like an afterthought.

“A critical advantage that’s often overlooked in the early stages of a start-up is the ability to build a culture of compliance from the ground up.”

With senior leadership doing much of the heavy lifting to get a new company off the ground, compliance help can be critical for a business trying to do many different elemental tasks at once. A solid advisor or partner can help establish a culture of compliance, dropping little breadcrumbs along the way, so to speak, in the way of ethics, strategy, and risk evaluation. When the company finally does launch, the groundwork can create a more solid foundation of compliance in their business and organization’s culture.

A critical advantage that’s often overlooked in the early stages of a start-up is the ability to build a culture of compliance from the ground up.

Unlike established incumbents, start-ups don’t have legacy processes and procedures in place that can hinder progress or stifle growth. Start-ups are essentially a blank slate from a compliance perspective. It’s critical to harness this open space early on to capitalize on the opportunity to cultivate a risk-based mindset within an organization from

day one. A risk-based (not to be confused with risk averse) mindset is one in which an individual considers and carefully evaluates the operational, compliance, and reputational risks to the company while building the business.

Operational risks include those that are caused by flawed or failed processes, systems or events that disrupt business operations. Damage to information technology is one type of operational risk. Compliance risk is the risk of financial loss related to non-compliance with external regulations and laws; examples include fines accrued from weak anti-money laundering controls and poorly prepared consumer protection policies. Risks to reputation arise when businesses fail to meet the expectations of its stakeholders, customers, and regulators; it is the damage that ensues by poorly mitigated operational and compliance risks.

Careful consideration of these risks, and the ability to perceive the likelihood of a risk occurring are two facets of the risk-based mindset that are important in the success of an organization because mindsets, taken together, create a culture. Frequently, within start-ups, the trusted advisors can guide and foster this type of risk-based thinking within senior leadership and help them create a healthy culture.

A risk-based mindset is also a key driver in the development of a culture of compliance, one of the most important pillars of a Fintech business. It’s also incredibly hard to define. With that said there are several steps an organization can take from the beginning to help foster this kind of behavior.

When it comes to compliance cultivation:

A healthy culture, in any organization, comes from the tone at the top. Senior leadership must consistently demonstrate, through both actions and words, that compliance is valued, and the risks of non-compliance are grave. Continuous alignment to the mission, vision, and values of a business should not be overlooked by leaders that wish to build a solid culture of compliance within their organization.

Accept that compliance is a key partner in the growth of your business and a necessary aspect of scaling operations in the United States and abroad. This is of particular importance to crypto exchanges and gaming companies as regulations over both of these industries vary from state to state and continue to evolve and expand.

Acknowledge from the start that operations will outpace compliance. Therefore, it is best to embed compliance functions into product development. For example, if you build a fantasy sports app or crypto exchange, you’ll have to include geolocation technology to block certain users.

Details matter. Document compliance processes and procedures so that they can be replicated, tested, and optimized later. All of this is impossible if nothing is written down. If it’s not documented, it doesn’t exist. Information should be clear, concise, and comprehensive. If it is done right, employees will be following these instructions long after the company has shed its start-up status.

Compliance is far from the glamorous part of a new business, but it is a crucial aspect in establishing a reliable foundation for years to come. Building ethics and a culture of compliance into a start-up's DNA is a core attribute for any successful new venture. Businesses that do not have a good system for organizing policies, mandating efficiency, and championing ethics are putting the company's future profitability and stability at risk. Just look at Enron; the company overvalued financial goals while neglecting compliance behaviors and failed to emphasize consequences of noncompliance. The lack of commitment to a culture of compliance led to its downfall, seizure of over \$164 million and imprisonment of several of its executives.

Companies assume plenty of risk and may even thrive on it, but compliance is not an area where a new business should roll the dice. With all those balls in the air it might only take a little slip-up by a start-up for everything to come crashing to the ground. Why take that chance?

Chartwell Compliance is a trusted advisor to fintech, gaming, and crypto start-ups as well as established financial services and money transfer firms on all matters related to building and maintaining a successful compliance program and thus, a culture of compliance. Let the highly adept team of Chartwell professionals guide your firm through the culture building process to ensure nothing comes crashing down.



ANNE WALTON, CAMS, COMPLIANCE DIRECTOR AT CHARTWELL, assists clients with their day-to-day compliance operations and provides advisory services drawn from over 15 years of experience in anti-money laundering, risk management, and investigations. Prior to joining Chartwell, Anne was a senior director in the Financial Crimes Risk Management practice at K2 Integrity. Anne helped financial institutions strengthen internal control frameworks to effectively manage anti-money laundering (AML) and sanctions risks. She also assisted clients in the design and delivery of risk assessments and building strong compliance testing programs. For more information, contact Anne at [✉awalton@chartwellcompliance.com](mailto:awalton@chartwellcompliance.com).



Buy Now, Pay Later: A Generational Dilemma

By Jennifer Cliber-Smith, Baby Boomer mother & Jeb Cliber, Millennial son

Picture this. It is 8:30 on a Friday night and a couple is at their local retailer trying to purchase a replacement dryer. They did not qualify for a store credit card, their credit score is in the 500s, and they don't have enough cash to cover the full purchase. Their three

kids are terrorizing the employees and someone's fuse is about to blow.

What would you do? Their parents and grandparents would have hung the clothes from the trees to dry them until the funds could be raised. But it's 2022. There is a staggering amount of technology in this couple's pockets, and with that comes options never available in the past. What may have been months of scrimping and savings for grandparents or just put on a credit card for parents has now become as simple as downloading the newest in "Buy Now, Pay Later".

What is "Buy Now, Pay Later" (BNPL)? These ever-present and popular forms of payment that are now available in over 250,000 retailers (quote) offer a rolling scale of small-scale loans to consumers without the commitment of a hard credit check and approval for a permanent card. Customers sign into the platform, select the retailer they wish to shop with, and the platform generates an amount that the customer is qualified to spend through

them at the retailer, with multiple payment options.

Enter back into the scenario. Children crying, climbing the walls, and the parents are stressing about making this purchase. They log into one of these platforms, enter their income, pay period schedule, some personal identifying information, and without any impact on their credit score for this inquiry.. SUCCESS!! They are approved for the full purchase, with a 30% interest rate. They breathe a sigh of relief, quickly scroll through the terms and conditions, and complete the transaction.

So, take a step back. Was there anything in that scenario that stood out? Positives? Negatives? Let's break that down a little further to see how these platforms can play a pivotal role in the lives of consumers.

First, the positives. Consumers with lower credit scores or unestablished credit have a financing option that was previously unavailable to them, which is particularly useful in an emergency. Secondly, the funds were available immediately. Third, if payments are made on time, this approval would contribute to improving the consumer's credit score. Fourth, these options are individual closed-end repayment plans. Unlike credit cards, once the balance is paid, the extended credit line is rescinded, although the consumer can easily reapply if they wish. There is no option to pay a minimum monthly payment, effectively extending the principle out for years and paying an escalated amount of interest, as is the case with traditional credit cards. Many of the BNPL platforms offer a no-interest short-term payment option, a mid-range payment plan with mid-level interest, or an extended-range plan with the highest rate of interest.

On the flip side, this golden opportunity does carry some pitfalls. Did you catch them? The first is that the interest rate is high. On average, consumers can expect to pay an interest rate of over 20% through these platforms, depending on the payment options the consumer selects. The second is the temptation to quickly skim through the myriad of disclosures (on a small phone screen no less) in order to process the transaction. The couple quickly scrolled through the disclosures, following the running trend of the Millennials and Generation Z of "nobody reads the terms and conditions". What could the customer have possibly missed when they were scrolling as fast as they could? Many of these terms include an acceleration clause if payments are missed, wherein multiple payments become due, adversely affecting the consumer's budgeting because a larger amount is ACH'd. This unrecognized account debit could result in increased Reg E disputes. The last and perhaps the most dangerous is that while the customer's credit wasn't affected by applying, it most

certainly is affected by confirming the transaction and agreeing to the terms of the repayment plan. The flipside of credit improving by making payments on time is that missed payments could have a detrimental effect on already challenged credit. Finally, the ease of access for these platforms is a double-edged sword: having funds does not always mean they should be utilized, and these offers can lead to overspending.

So how does this affect the different generations? For Millennials and Generation Z, this option is a payment method they have grown up with, just as standard now as cash or credit. The immediate gratification that these two generations crave lends for more of a "leap before you look" approach, a belief not broadly held by

For Millennials and Generation Z, this option is a payment method they have grown up with, just as standard now as cash or credit. The immediate gratification that these two generations crave lends for more of a "leap before you look" approach, a belief not broadly held by previous generations.

previous generations. Two or three generations removed from the Great Depression has resulted in a reality being reduced to a story, and the cautious behavior of the past exchanged for a permanently sunny skies mentality of the present. If only the technology that highlights the most dangerous aspects of BNPL terms and conditions could be reiterated in a parent's stern voice to give Millennials and Gen Z pause before they click "Agree"... or maybe that will make us click it quicker? Regardless, a careful approach is needed to make the most of this new technology.



JENNIFER CLIBER SMITH, SENIOR ADVISOR AT CHARTWELL, brings her hands-on approach. Jennifer has over 25 years of experience consulting with various types of financial institutions in the areas of training, auditing, software setup and testing, writing policies and procedures, and providing a newsletter on varied aspects of complying with federal financial institution and Money Service Business regulations. Prior to consulting, Jennifer worked in community banks, one of which was a de novo bank where she was responsible for BSA, AML, and OFAC compliance. She brings working knowledge of the lending, deposit, and other areas of banking. Jennifer is a Certified Regulatory Compliance Manager, achieving the top score on the exam. For more information, please email Jeb at [✉jsmith@chartwellcompliance.com](mailto:jsmith@chartwellcompliance.com).



JEB CLIBER, BANKING COMPLIANCE ANALYST AT CHARTWELL, brings an enthusiastic and dedicated approach to the Chartwell team with over 5 years of experience as a consultant in the banking compliance industry, focusing on financial modeling, database monitoring, third-party vendor management, and due diligence reviews and reporting. Jeb has been exposed to banking compliance for many years, assisting his mother with her compliance business, Cliber Compliance LLC, servicing local community banks in the Maryland and Pennsylvania areas. For more information, please email Jeb at [✉jcliber@chartwellcompliance.com](mailto:jcliber@chartwellcompliance.com).



March proved to be a busy month at the **state and federal levels.**

The law requires that banks providing such services do the following:

- ▶ Implement risk management systems and controls,
- ▶ Confirm the adequacy of their insurance coverage for such services, and
- ▶ Establish oversight programs as to any service provider for these custodial services.
- ▶ The law further states that banks may provide custody services in either a fiduciary capacity or nonfiduciary capacity:

In a nonfiduciary capacity, the bank would act as a bailee, possessing the asset for safekeeping with the customer retaining title and direct control over the access keys to the virtual currency.

In a fiduciary capacity (in which the bank must have trust powers and a trust department), the customer will transfer the currency to the bank, and the bank will provide new private keys to be held by the bank.

This law is similar to guidance issued by the federal Office of the Comptroller of the Currency in 2020 regarding national banks' ability to safeguard digital currency for their customers.

On the federal level, President Joseph R. Biden on March 9, 2022, issued an executive order concerning digital assets.

Among other things, the executive order calls for:

- ▶ Regulators to identify policy proposals and address regulatory gaps to safeguard against systemic financial risks posed by digital assets to consumers, investors, businesses and the larger economy;
- ▶ "[A]n unprecedented focus of coordinated action" among agencies to protect against illicit misuse of digital assets;
- ▶ The promotion of equitable access to digital asset innovations;
- ▶ The support of technological advances in a responsible and safe manner; and
- ▶ The exploration of the development of a potential U.S. Central Bank Digital Currency.

Federal and State Action Taken on Cryptocurrency and Digital Assets

By Bryan Mull, Financial Services Attorney at Gordon Feinblatt LLC.

In the ever-changing world of digital assets, March proved to be a busy month at the state and federal levels.

First, the Virginia General Assembly on March 8, 2022, passed a bill that permits banks in the Commonwealth to provide virtual currency custody services. The new law should give comfort to Virginia banks who want to provide custodial services virtual currencies like bitcoin.



BRYAN MULL, FINANCIAL SERVICES ATTORNEY AT GORDON FEINBLATT LLC. is a member in the firm's Financial Services and Bankruptcy & Restructuring practice groups. He counsels financial institutions in connection with commercial loan workouts, bankruptcy proceedings, financings, and contract disputes. He represents secured and unsecured creditors in commercial collections, including judgment enforcement, foreclosures and related proceedings and also counsels clients in connection with state and federal lending laws, deposit compliance, mortgage servicing, auto financing, and debt collection compliance.

2021 CSBS Annual Report Now Available – Highlights CSBS and NMLS Accomplishments

The 2021 report features both CSBS achievements and NMLS operations and performance, information previously shared through the SRR annual report. The new format captures the full breadth of the state system, representing One CSBS.

[Click here](#) to read the full report.

State news from NMLS

Maryland Office of Financial Regulation Adds Collection Agency Licenses to NMLS April 1, 2022

NMLS is now receiving new application filings for the following Maryland Office of Financial Regulation registration:

- ▶ Exempt Collection Agency Registrants

New applicants are now able to submit these records through NMLS. [Click here for more information.](#)

Nevada Financial Institutions Division Adds Collection Agency Licenses to NMLS April 1, 2022

NMLS is now receiving new application filings for the following Nevada Financial Institution Division licenses/registrations:

- ▶ Collection Agency License
- ▶ Collection Agency License - Alternate Location
- ▶ Foreign Collection Agency Registration
- ▶ Foreign Collection Agency Registration - Alternate Location
- ▶ Collection Agency Qualified Manager Registration

New applicants are now able to submit these records through NMLS. [Click here for more information.](#)

Hawaii Department of Commerce and Consumer Affairs (Division of Financial Institutions) remove State Criminal Background Check requirements in NMLS

Effective March 1, 2022, the State of Hawaii, Division of Financial Institutions, will no longer require a State of Hawaii criminal background check (Hawaii CBC) for the following individuals:

- ▶ Mortgage Loan Originator Company MU2 individuals (control persons)
- ▶ Mortgage Loan Originators, MU4
- ▶ Sole Proprietor Mortgage Loan Originators, MU4



Accordingly, FieldPrint will no longer process a Hawaii CBC for these individuals after February 28, 2022. Please contact FieldPrint if any of the above MU2s or MU4s have scheduled a Hawaii CBC appointment for March 1, 2022, or thereafter.

If you have any questions, please email us at dfi-nmls@dcca.hawaii.gov

Hawaii Department of Commerce and Consumer Affairs (Division of Financial Institutions) adds Small Dollar Installment Loan Branch to NMLS

NMLS will begin receiving new applications for the Hawaii Department of Commerce and Consumer Affairs (Division of Financial Institutions). New applicants and will be able to submit these records through NMLS.

- ▶ Small Dollar Installment Loan Branch

Applicants are now able to view the license requirements on the State Agency Licensing page.

[Click here for more information.](#)

Vermont Department of Financial Regulation Banking Division adds Money Transmitter Kiosk ATM Registration to NMLS January 1, 2022

NMLS will begin receiving new applications for the Vermont Department of Financial Regulation Banking Division Registration. New applicants and will be able to submit these records through NMLS.

- ▶ Money Transmitter Kiosk ATM Registration

Applicants are now able to view the license requirements on the State Agency Licensing page.

[Click here for more information.](#)

Nevada Financial Institutions Division adds Money Transmitter License to NMLS January 1, 2022.

NMLS will begin receiving new application filings for the Nevada Financial Institutions license. New applicants will be able to submit these records through NMLS. The agency will also begin receiving new and converted Electronic Surety Bonds (ESB) through NMLS for this registration type.

- ▶ Money Transmitter License

Applicants are now able to view the license requirements on the State Agency Licensing page.

[Click here for more information.](#)

Hawaii Department of Commerce and Consumer Affairs (Division of Financial Institutions) adds Small Dollar Installment Loans to NMLS January 1, 2022.

NMLS will begin receiving new application filings for the Hawaii Department of Commerce and Consumer Affairs license. New applicants will be able to submit these records through NMLS. The agency will also begin receiving new Electronic Surety Bonds (ESB) through NMLS for this registration type.

- ▶ Small Dollar Installment Loans

Applicants are now able to view the license requirements on the State Agency Licensing page.

[Click here for more information.](#)

Electronic Surety Bonds (ESB) Updates

Please see the [ESB Adoption Map](#) and Table for a list of state agencies who have also adopted ESB and required ESB conversion dates as of April 2022.

Nevada Financial Institutions Division to add Electronic Surety Bond

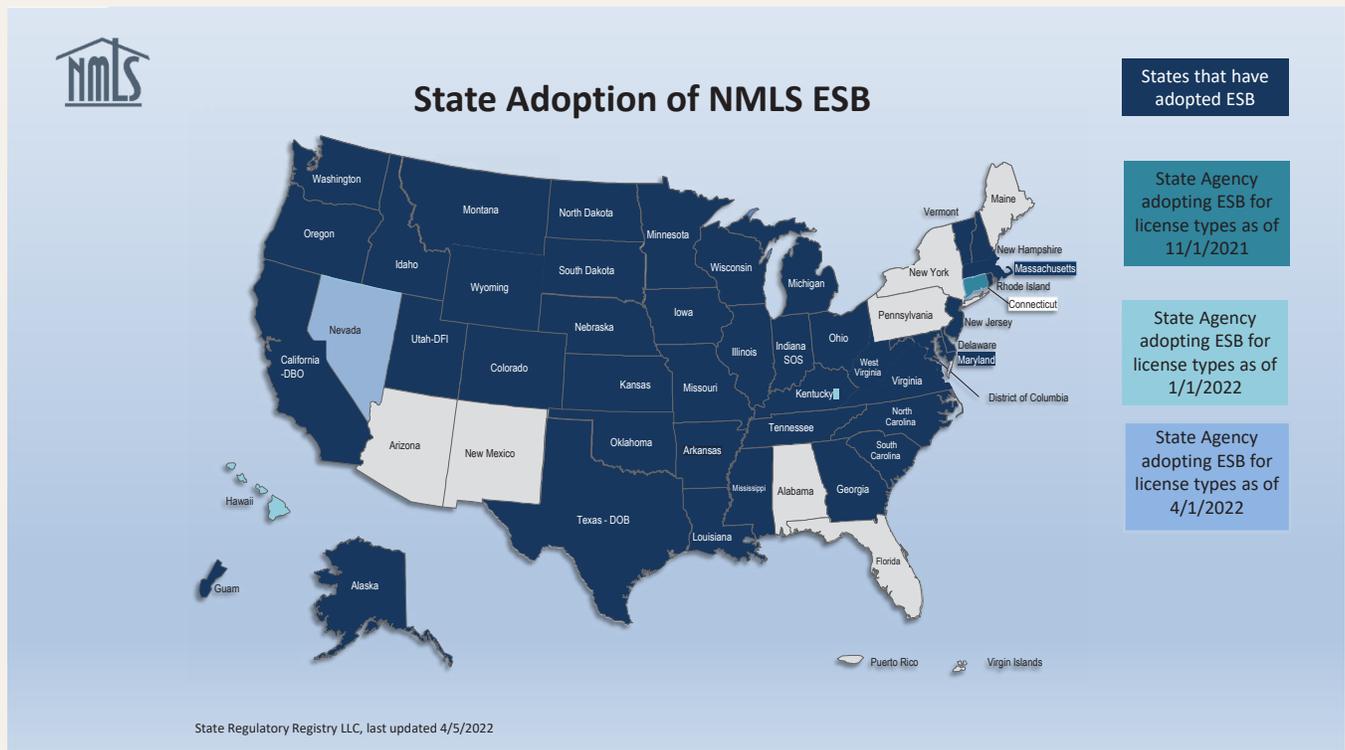
Starting April 1, Nevada Financial Institutions Division will begin receiving new and converted Electronic Surety Bonds (ESB) through NMLS for the following license types:

- ▶ Collection Agency License
- ▶ Foreign Collection Agency Registration

Hawaii Department of Commerce and Consumer Affairs (Division of Financial Institutions) to add Electronic Surety Bond

Starting March 1, the Hawaii Department of Commerce and Consumer Affairs (Division of Financial Institutions) will begin receiving new and converted Electronic Surety Bonds (ESB) through NMLS for the following license types:

- ▶ Money Transmitter License



Chartwell New Hires & Promotions

Chartwell is pleased to welcome the following individuals to its team of professionals.



Andrea Lamothe
Joined Chartwell on April 4th, 2022

Assistant Director – Licensing

Over 15 years of regulatory compliance oversight at the DIFS and at Flagstar Bank developing and leading exam programs for money transmission, regulatory and payday lending, and debt management as well as oversight of company's compliance with applicable state and federal regulations. Andrea is also a former member of the CSBS Performance Standards Committee and the CSBS MSB Call Report Subcommittee. [Read more about Andrea](#)



Dustin Stephans
Joined Chartwell on April 18th, 2022

Compliance Professional – Licensing

Over 8 years of experience in financial and licensing & regulatory roles in the U.S. Army and at Celebrity Financial, responsible for the logistical planning and execution of financial based operations as well as license acquisition and maintenance for Broker, Lender, Debt Collector, Money Transmitter, and Servicers including renewals, state regulatory reporting and examination support. [Read more about Dustin](#)



Kathleen Garey
Joined Chartwell on April 11th, 2022

Senior Compliance Analyst – Banking Compliance

Over 20 years of experience in financial services, regulatory compliance, deposit operations and instructional guidance, holding positions as BSA-AML Compliance Officer, Deposit Operations Manager, Controller, and Senior Accountant/Internal Auditor, for banks ranging from \$250 million to \$1.5 billion in asset size. [Read more about Kathleen](#)



Gabriela Czerniawski
Joined Chartwell on April 20th, 2022

Compliance Professional – Licensing

Two years of compliance experience within the consumer finance and money transmitter industry at Buckley LLP, responsible for acquiring and maintaining licenses for mortgage, consumer finance, and money transmitter businesses. [Read more about Gabriela](#)



Olivia Turner
Joined Chartwell on April 12th, 2022

Compliance Assistant – Licensing

Over three years of experience in compliance and mortgage broker and lending license acquisition as well as ongoing license maintenance and administration at Loan Pronto, responsible for transitioning Broker to Lending licenses and also oversight of mortgage loan audits, denials, and withdrawals. [Read more about Olivia](#)



Patrick Aspacher
Joined Chartwell on April 12th, 2022

Compliance Professional – Licensing

Over five years of money service business experience working at WorldRemit performing money transmitter license management, state regulatory examinations, partner due diligence reviews, BSA/AML operations, and customer service team management. [Read more about Patrick](#)



Eric Gagnon
Joined Chartwell on April 25th, 2022

Assistant Compliance Director – Licensing

Over 20 years of regulatory and financial services experience covering money service business ("MSB"), securities, bank, and trusts with the Vermont Department of Financial Regulation and Florida Office of Financial Regulation including examination, training, licensing, BSA/AML compliance, InfoSec & IT program assessment, and payment systems evaluation. [Read more about Eric](#)

“Career development is at the forefront of Chartwell’s initiatives.”

—DANIEL WEISS, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, CHARTWELL COMPLIANCE

Chartwell Promotions

Chartwell is pleased to announce and congratulate the following individuals for their recent promotion.

LICENSE ACQUISITION & LICENSE MAINTENANCE TEAMS



Christa Fazzi
Assistant Director - Licensing



Andrea Thomas
Senior Compliance Professional - License Maintenance



Kayla Burke
Assistant Director - License Maintenance Team Leader - License Maintenance

BANKING COMPLIANCE TEAM



Trisha Shirey, CBAP
Assistant Director - Banking Compliance



Erik Kemme
Compliance Manager - Banking Compliance



Beverly Huffman, PMP, CBAP
Senior Compliance Analyst - Banking Compliance



Sean McCormick, CAMS
Compliance Manager - Banking Compliance



Meagan Mosslih
Senior Compliance Manager - Banking Compliance

CAREERS

Chartwell Compliance understands that great work means continuously making improvements not just within the company, but also within ourselves. Our staff members:

- ▶ Work every day with experts in regulatory compliance and financial crimes prevention.
- ▶ Assist some of the most innovative companies in the financial services industry.
- ▶ Thrive in a fast-paced, entrepreneurial environment with upward mobility.
- ▶ Improve their skillsets and knowledgebases through relevant certificates, courses, or workshops that advance their careers and leadership.
- ▶ Receive Kaizen training, the Japanese principle that aims to create a work environment that is as efficient as it is productive and successful.

Chartwell is always looking for full-time skilled professionals in compliance and risk management, operations, corporate development, and consulting management. Please email careers@chartwellcompliance.com to apply for a position with Chartwell Compliance.

[VIEW CURRENT OPEN POSITIONS](#)

“We place a lot of focus on providing quality opportunities for our team to grow and thrive.”

—DANIEL WEISS, CHAIRMAN AND CHIEF EXECUTIVE OFFICER, CHARTWELL COMPLIANCE



Chartwell Shows You the Way

Founded in 2011, Chartwell Compliance delivers powerful solutions to complex regulatory, licensing, and compliance challenges experienced by fintech and financial services companies. Chartwell has served over 500 firms ranging from Fortune 50 to fintech's biggest unicorns throughout the world.

VALUE PROPOSITION

ONE-STOP SOLUTION

Complete outsourcing of worldwide license acquisition and maintenance and many day-to-day compliance and AML staff functions. Flex talent and variable fee structure that are superior to direct hiring or other service provider options.

SATISFIED CLIENTS

Over 500 satisfied clients, including some of the most prominent multinationals in their respective industries and many firms within the Fortune 1000.

"WALKS THE TALK" ON COMPLIANCE

Chartwell is proud to be an entity of MVB Bank, a regulated, publicly traded financial institution which Chartwell supports on compliance.

STABLE, HIGHLY QUALIFIED WORKFORCE

Nearly all employees possess over 20 years of experience as practitioners or regulators, and are employees, not contractors. Chartwell is proud of its low employee turnover rate and the many awards it has received for a unique and revolutionary corporate culture and approach to staff development.

EXCEPTIONAL PROJECT MANAGEMENT

Chartwell staff members practice a Kaizen methodology and use proprietary project management techniques that sustain a high level of quality.



Chartwell brings to bear the breadth of its experience with the various state regulators, including knowledge of the preferences and personalities of the various staff working for the various regulatory bodies. Where there are gray areas (often in a changing landscape), Chartwell's experience enables their personnel to make recommendations as to how to respond to a variety of requirements (e.g., reporting and license renewal requirements). In addition, as our Company has become licensed over the last 3 years, we continue to engage Chartwell for support with ongoing license maintenance and renewals (an effort not to be underestimated). This includes support with managing "advance change notifications" when the licensed entity proposes to appoint new officers (a surprisingly involved process that takes several weeks).

In short, we have been pleased with the quality of Chartwell's support from day one. And, although we certainly rely on outside counsel from time to time for legal issues and legal interactions with regulators, we have found that Chartwell offers the most cost-effective approach for supporting management of the nuts and bolts of filing license applications and supporting ongoing license maintenance and renewals.

**Suzan S. Rowland, Deputy General Counsel
Yapstone Holdings, Inc.**



Chartwell Consultants



Chartwell's team members are cross-certified in regulatory compliance, anti-money laundering, testing, information technology and security, and fraud. The diversified experience of our consultants provides our clients with access to seasoned examiners, operators, and regulatory policy makers in the banking, non-banking, and emerging payments compliance segments of the financial services industry.

CONSULTANTS AVERAGE 20 YEARS OF EXPERIENCE

We use this vast experience to design and implement effective compliance and risk management programs properly calibrated to address both the current and prospective regulatory environment.

EXTENSIVE EXPERIENCE AT THE INDUSTRY'S BEST ORGANIZATIONS

- Chartwell's staff members have served in:
- Internationally prominent U.S. payments licensing and compliance advisory outsourcing practice
 - Regulatory experience with the California Department of Business Oversight, Colorado Department of Banking, Texas Department of Banking (DOB), Vermont Department of Financial Regulation (DFR), and FINRA
 - MSBs such as Western Union, First Data, and Sige
 - State and nationally chartered banks
 - The Federal Bureau of Investigation's Financial Crimes and Terrorist Financial Crimes and Terrorist Financing
 - Assistant director at the Office of the Comptroller of the Currency (OCC) Assistant Director of Enforcement



Chartwell Services

Fintech Licensing

With its large team of long-time licensing officers and former regulators, Chartwell has centuries of collective experience obtaining and maintaining thousands of regulatory licenses for fintech companies in areas like money transmission, cryptocurrency, prepaid access, currency exchange, lending, and gaming. The firm provides a fully outsourced solution in all key component parts of getting and staying licensed. Chartwell's emphasis on excellent project management and Kaizen methodology help ensure timely results. Chartwell and its staff have serviced, worked at, or supervised a statistically significant portion of all licensed U.S. money transmitters.

Fintech Compliance

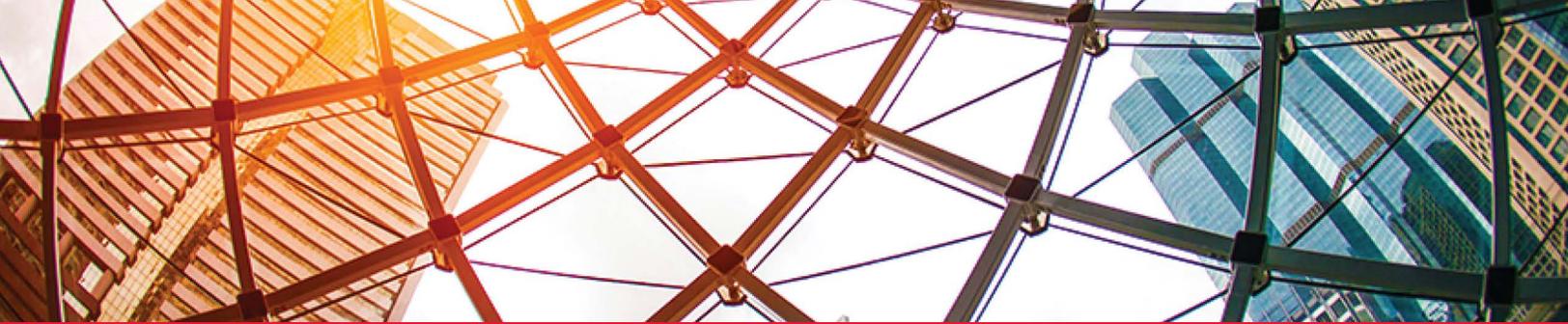
Chartwell is one of the world's preeminent providers of AML/CFT, fraud prevention, and regulatory compliance services to the fintech industry. Comprised of an incredibly deep bench of long-time practitioners from all corners of the fintech industry, the firm builds, localizes, enhances, and audits compliance programs. It has served many of the industry's leading fintechs, hundreds of companies overall throughout the world.

Banking Compliance

Chartwell has well-credentialed former bank compliance officers and regulators who serve all types of banks as well as challenger/neo/digital banks in most areas of bank regulatory compliance. Numerous clients come from the fintech industry and several of the fintech banking market leaders have worked with Chartwell. Chartwell brings a unique, first-hand experience to its work, with its own parent company being a publicly traded fintech bank and a client of Chartwell.

Global Outsourced Compliance

Chartwell's team of veteran compliance officers, regulators and analysts are positioned as an outsourced resource for compliance program execution with many financial services businesses. The firm handles many of the day-to-day functions required to maintain an effective compliance program, including transaction monitoring and reporting; sanctions screening; KYC and customer due diligence; onboarding and enhanced due diligence; fraud prevention; consumer compliance; and taking overall leadership of the program. Providing flex talent at variable cost, with excellent bench depth and quality assurance, Chartwell is a strong alternative to hiring directly in many cases.



Chartwell's Strategic Alliances



Fiserv, a global leader in payments and financial technology, helps clients achieve best-in-class results in account processing and digital banking solutions; card-issuer processing and network services; payments; e-commerce; merchant acquiring and processing; and the Clover® cloud-based point-of-sale solution.



Thomson Reuters is a leading provider of business information services. Our products include highly specialized information-enabled software and tools for legal, tax, accounting and compliance professionals combined with the world's most global news service – Reuters.



NICE Actimize uses innovative technology to protect institutions and safeguard consumers and investors by identifying financial crimes, preventing fraud and providing regulatory compliance.



Through its subsidiary, MVB Bank, Inc., and the Bank's subsidiaries, MVB Community Development Corporation, Chartwell Compliance and Paladin, MVB provides financial services to individuals and corporate clients in the Mid-Atlantic region and beyond.



Middesk's Identity product provides accurate, complete information that financial services companies need to make efficient onboarding decisions. Our Agent product makes it easy for employers to file with the state and federal agencies needed to establish their business across the country. Our customers include Affirm, Brex, Plaid, Mercury, Divvy, Rippling, Gusto, and others.



Acuant Compliance's Trusted Identity Platform provides identity verification, regulatory compliance (AML/KYC) and digital identity solutions leveraging AI and human-assisted machine learning to deliver unparalleled accuracy and efficiency.



Accuity offers a suite of innovative solutions for payments and compliance professionals, from comprehensive data and software that manage risk and compliance, to flexible tools that optimize payments pathways.



Coinfirm is a global leader in AML & RegTech for blockchain & cryptocurrencies. Offering the industry's largest blockchain coverage - over 98% of cryptocurrencies supported - Coinfirm's solutions are used by market leaders, ranging from VASPs such as Binance, and protocols like WAVES, to major financial institutions and governments.

Chartwell's Culture and Honors

Fall Retreat 2021



CORONADO ISLAND MARRIOTT RESORT & SPA

We not only work hard, but we also play hard!



After morning sessions, the team headed out for fun-filled afternoons in and around San Diego and got to experience the San Diego Zoo, USS Midway, the shore lines of La Jolla, SeaWorld, as well as some kayaking, sailing, and even a cruise in the harbor. The team spent evenings relaxing together at Bali Hai, the Marine Room, and enjoyed a private dinner on the terrace at the Birch Aquarium. We are looking forward to our Spring Retreat in beautiful Puerto Rico, at the San Juan Marriott Resort and Stellaris Casino!



Chartwell's Culture and Honors

Chartwell has been recognized not only for its superior services and client relationships, but also for investing and developing a truly unique workplace. The backbone of Chartwell's success is its expert team.



CHARTWELL CELEBRATES 10 YEARS!

The company celebrated its 10-year anniversary during its recent corporate retreat to Coronado Island, California. Here's to continued growth for the company and their staff of nearly 60 trusted colleagues.



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compass@chartwellcompliance.com

Chartwell is honored to be recognized by the following organizations:



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