


**PUERTO RICO**  
**FINANCIAL SERVICES**  
**FORUM**





**Derisking in the Puerto Rico Market**  
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## What is Derisking?

Section 6215 defines the term “de-risking” to mean actions taken by a financial institution to terminate, fail to initiate, or restrict a business relationship with a customer, or a category of customers, rather than manage risk associated with that relationship consistent with risk-based supervisory or regulatory requirements.

A financial institution may de-risk due to drivers such as profitability, reputational risk, lower risk appetite, regulatory burdens or unclear expectations, or sanctions regimes.

# US Treasury on “derisking”

On April 10, 2023, [the U.S. Department of the Treasury published the 2023 De-risking Strategy](#) pursuant to the Anti-Money Laundering Act of 2020 (AMLA).

The fact sheet summarizes key findings and policy recommendations to address the issue of de-risking.

De-risking can harm Treasury’s mandate to protect the U.S. financial system. BSA tools work best when funds exist within the regulated financial system.

De-risking can increase the use of financial services that exist outside of the regulated financial system, undermining the purposes of the BSA and related laws by making it harder to detect and deter illicit finance.





The customers facing de-risking challenges most acutely include:

Small and medium-size Money Service Businesses (MSBs) that offer money transmitting services.

Non-Profit Organizations (NPOs) operating abroad in high-risk jurisdictions.

International Financial Entities, particularly those operating in financial environments characterized by high AML/CFT risks.

## Potential Solutions to “derisking”

- Consistent supervision and training
- Continued “humanitarian carveouts” such as UN Resolution 2664 for sanctions
- Advocating that HR entities be transparent with FI’s
- For FI’s to improve their due diligence on the front end with HR entities
- Consider the creation of “safe harbors” for strong AML/CFT programs



Questions?