Appendix M: Financial Laws, Regulations and Authorities

The following Laws and Regulation governing privacy, Money Laudering, Terrorism and Financials apply in the U.S. and need to be part of any DIDO solution concerned with currency, money, financials, or cyrptocurrencies. Often these Laws and Regulations are considered as obsticles or barriers to innovation, but each law or regultion is developd in response to some situation that occured iin the past and to prevent a “modern” repeat of these situations, the laws and regulations should be upgraded, not ignored or overturned.

Some of these Laws, Regulations and Authorities have general applicability to DIDOs when the data stored within the DIDO refers to Personal Identifiable Information (PII) and therefore subject to the tenents of privacy.

Other Laws, Regulations and Authorities are relevant to DIDO when the DIDO is considered a [dido:public:ra:xapend:xapend.a_glossary:f:financial_instrument]] or a Security. Certain Cryptocurrencies and Initial Coin Offerings (ICOs) may be found to meet the definition of an “investment contract” under the Howey Test which the U.S. Supreme Court ruling determined that an Investment Contract must:

1. Have an investment of money
2. Enter into a common enterprise
3. Have the expectation of profit
4. Be derived from the efforts of others

U.S. Federal Laws and Regulations

Return to Top

Table 1: List of Applicable U.S. Federal Laws and Regulations.

U.S. Federal Laws		
Kind	**Law / Regulation**	Description
Privacy	**Driver's Privacy Protection Act of 1994 (DPPA)**	DPPA governs the privacy and disclosure of personal information gathered by state Departments of Motor Vehicles, including photographs, Social Security Number (SSN), Driver Identification Number (DID), name, address (but not the five-digit ZIP code), telephone number, medical information and disability information.
Privacy	**California Consumer Privacy Act (CCPA)**	CCPA gives consumers more control over the personal information that businesses collect about them and the CCPA regulations provide guidance on how to implement the law.
Privacy	**Video Privacy Protection Act (VPPA)**	VPPA restricts the disclosure of rental or sale records of videos or similar audio-visual materials, including online streaming.

U.S. Federal Laws		
Privacy	**Cable Subscriber Protection**	Cable Subscriber Protection provides access to all Personal Identifiable Information (PII) regarding the subscriber which is collected and maintained by a cable operator.
Money Laundering	**Money Laundering Control Act of 1986 (MCLA)**	The MCLA) makes money laundering, a federal crime by criminalized money laundering. It also prohibits individuals from engaging in a financial transaction with proceeds that were generated from certain specific crimes, known as Specified Unlawful Activities (SUAs). Additionally, the law requires that an individual specifically intend in making the transaction to conceal the source, ownership or control of the funds.
Money Laundering	**Bank Secrecy Act of 1970 (BSA)**	The BSA is U.S. law requiring financial institutions in the United States to assist U.S. government agencies in detecting and preventing money laundering.
Terrorism and Money Laundering	**US Patriot Act, Title III: Anti-money-laundering to prevent terrorism**	facilitate the prevention, detection, and prosecution of international money laundering and the financing of terrorism. It primarily amends portions of the Money Laundering Control Act of 1986 (MLCA) and the Bank Secrecy Act of 1970 (BSA). It was divided into three subtitles: • The First Subtitle deals primarily with strengthening banking rules against money laundering, especially on the international stage • The Second Subtitle attempts to improve communication between law enforcement agencies and financial institutions, as well as expanding record keeping and reporting requirements • The Third Subtitle deals with currency smuggling and counterfeiting, including quadrupling the maximum penalty for counterfeiting foreign currency.
Privacy	**Right to Financial Privacy Act of 1978 (RFPA)**	The RFPA was put in place to limit the government's ability to freely access nonpublic financial records. The RFPA defines financial institutions as any institution that engages in activities regarding banking, credit cards, and consumer finance. It also defines financial records as any documentation of a consumer's relationship with a financial institution.
Privacy	**Gramm-Leach-Bliley Act (GLBA)**	The GLBA promotes consumer privacy, the Gramm-Leach-Bliley Act included regulations to limit the ways in which companies handled and shared financial data.

U.S. Federal Laws		
Privacy	**Fair Credit Reporting Act (FCRA)**	The FCRA regulates credit agencies and promote fair and secure handling of consumer information. The FCRA attempts to limit the dissemination of information through five main rules: 1. Credit reports and investigative reports must be differentiated so that any irrelevant is not mixed 2. Reports can only be made available to those with “legitimate business needs” 3. The subject of a report must be notified of any request for their information 4. Agencies must give consumers access to their own files if they ever should request it 5. A time limit is set for the retention of information on reports. Information that is seven years or older must be deleted, while information regarding bankruptcies can be removed only after fourteen years
Privacy	**Fair and Accurate Credit Transactions Act (FACTA)**	FCRA amended the FCRA with stricter regulations that need to be enforced first. State laws regarding credit scores, credit reports, and insurance that were to remain in effect as a result of the amendments. FCRA gave consumers more rights to explanations of their credit scores and the right to a free credit report each year. It also includes two rules: • Disposal Rule - how to dispose of consumer records • Red Flag Rule - how financial institutions indentify and prevent idenity thefts
Privacy	**Credit and Debit Card Receipt Clarification Act**	Credit and Debit Card Receipt Clarification Act requires account numbers printed on receipts have to be shortened to five digits in order to protect consumer privacy
Privacy	**Fair Debt Collection Practices Act (FDCPA)**	Under the FDCPA, collectors are not allowed to publish a consumer's name and address on a bad debt list or reveal any information regarding the debt to unaffiliated third parties except the consumers' partner or attorney.
Privacy	**Electronic Funds Transfer Act**	The act implemented requirements so that banks have to notify their customers of any policies regarding electronic transfer of funds. Banks are also held liable in the event that information is disclosed through telephone without consent. Also, banks would be held responsible for any damages that came as a result of unauthorized access to a consumer's information.

U.S. Federal Laws		
Financial	**Dodd-Frank Act**	The Dodd-Frank Act (Dodd-Frank Wall Street Reform and Consumer Protection Act) places regulation of the financial industry in the hands of the government. The legislation, which was enacted in July 2010, created financial regulatory processes to limit risk by enforcing transparency and accountability.

U.S. State Laws and Regulations

Return to Top

Note: FACTA ensured that any state laws with stricter regulations than those outlined in the FCRA would be enforced first. State laws regarding credit scores, credit reports, and insurance that were to remain in effect as a result of the amendments were outlined within the act.

Table 2: List of Applicable U.S. State Laws and Regulations.

State Laws		
Kind	**Law / Regulation**	Description
Privacy	**California Privacy Act**	California Privacy Act is a state level privacy act that provides protection of consumer information. The act is described as a stricter version of the Gramm-Leach-Bliley Act.
Privacy	**California Consumer Credit Reporting Agencies Act (CCCRA)**	The CCCRA regulates consumer credit reporting agencies as well as any users of credit reports. The act also provides a narrower definition of “consumer credit report” as any information that falls within credit reports is protected by the act.
Privacy	**California Right to Financial Privacy Act**	California Right to Financial Privacy Act regulates the state's government agencies' abilities to access nonpublic consumer information. As a result of the act, California's government agencies are not authorized to access financial records unless the consumer gives consent or if a subpoena or a search warrant is issued for the information.
Privacy	**California Song-Beverly Credit Card Act**	Under the California Song-Beverly Credit Card Act, companies may not collect personally identifiable information from consumers who purchase goods or services using credit cards. Companies cannot set conditions in which consumers must consent to sharing their information in order to use their credit cards for a transaction. However, consumer information can be requested in order to complete a credit card transactions as long as the information is never recorded. The act also set a redundant state level requirement that companies must shorten a consumer's credit and debit card information on receipts.

State Laws		
Privacy	**Vermont Privacy of Consumer Financial and Health Information**	The law defines the purpose, scope, application, compliance and exceptions to the law. The purpose of the Vermont Privacy of Consumer Financial and Health Information is to govern the treatment of nonpublic personal information about consumers by the financial institutions.

U.S. Federal Government Oversight Authorities

Return to Top

Table ##REF:usAuthorites## provides a list of authorities within the U.S. having oversight over financial services. Some authorities listed are Agencies of the U.S. such as SEC, or CFPB. Others are independent non-governmental organizations such as FINRA.

> **Note:** Many of the Authr=orities listd in search?q=&btnI=lucky are derived fro the list provied in the following reference on Financial Regulation]. <table usAuthorites> <caption>U.S. Federal Government Authorities with financial oversight</caption> |< 100% 35% ->| ^ Authority ^ Description ^ ^ [[dido:public:ra:xapend:xapend.a_glossary:s:sec | U.S. Securities and Exchange Commission (SEC) |
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> The SEC is the U.S. government agency in charge of the nation's securities industry. It monitors transactions, as well as the activities of financial professionals. Its mission is to promote fairness, integrity and transparency; prevent fraud and other deceptive acts; and ensure orderly and efficient markets.
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^ Financial Industry Regulatory Authority (FINRA) |

FINRA is an independent, nongovernmental organization that writes and enforces the rules governing registered brokers and broker-dealer firms in the United States. Its stated mission is “to safeguard the investing public against fraud and bad practices.” It is considered a self-regulatory organization.

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Consumer Financial Protection Bureau (CFPB)	The CFPB is a regulatory agency charged with overseeing financial products and services that are offered to consumers.
Commodity Futures Trading Commission (CFTC)	The CFTC regulates the derivatives markets, including futures contracts, options, and swaps. Its goals include the promotion of competitive and efficient markets and the protection of investors against manipulation, abusive trade practices, and fraud.

Federal Reserve System (The Fed)	The Fed is the central banking system of the United States and oversees the 12 regional Federal Reserve Banks. Its primary goals are to regulate the nation's private banks and manage the overall money supply. The Fed ensures lenders and borrowers have access to credit and loans.
Federal Deposit Insurance Corporation (FDIC)	The FDIC maintains stability and public confidence in the nation’s financial system by insuring deposits; examining and supervising financial institutions for safety, soundness, and consumer protection; makes large and complex financial institutions resolvable; and manages receivership
Office of the Comptroller of the Currency (OCC)	The OCC is an organization that acts as both the issuer and guarantor for options and futures contracts and is the largest equity derivatives clearing organization in the world.
National Association of Insurance Commissioners (NAIC)	NAIC is a nonprofit, nonpartisan organization and sets standards and establishes best practices for the U.S. insurance industry and provides support to insurance regulators. It also provides information and resources to consumers. **Note:** Insurance products sold in the U.S. are largely regulated by the states, rather than the federal government.
National Credit Union Administration (NCUA)	The NCUA monitors federal credit unions across the country and provides the National Credit Union Share Insurance Fund (NCUSIF) which is uses tax dollars to insure the deposits at all federal credit unions.

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