Canna Banking

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Disclosure: The opinions and information in this presentation are my own and do not necessarily reflect the views and policies of Numerica Credit Union.
Mitigation of Risk

Does the regulatory scheme meet the requirements of the Valentine’s Day Cole Memo?

Cole Memo: “The August 29 guidance rested on the expectation that states that have enacted laws authorizing marijuana-related conduct will implement clear, strong and effective regulatory and enforcement systems in order to minimize the threat posed to federal enforcement priorities. Consequently, financial institutions and individuals choosing to service marijuana-related businesses that are not compliant with such state regulatory and enforcement systems, or that operate in states lacking a clear and robust regulatory scheme, are more likely to risk entanglement with conduct that implicates the eight federal enforcement priorities.”
Mitigation of Risk

Reliance upon State Laws and Regulations
Mitigation of Risk

Cole Memo - Enforcement Priority #1

Preventing the distribution of marijuana to minors
Mitigation of Risk

Cole Memo - Enforcement Priority #2

Preventing revenue from the sale of marijuana from going to criminal enterprises, gangs and cartels
Mitigation of Risk

Cole Memo - Enforcement Priority #3

Preventing the diversion of marijuana from states where it is legal under state law in some form to other states
Mitigation of Risk

Cole Memo - Enforcement Priority #4

Preventing state-authorized marijuana activity from being used as a cover or pretext for the trafficking of other illegal drugs or other illegal activity
Mitigation of Risk

Cole Memo - Enforcement Priority #5
Preventing violence and the use of firearms in the cultivation and distribution of marijuana.
Mitigation of Risk

Cole Memo - Enforcement Priority #6

Preventing drugged driving and the exacerbation of other adverse public health consequences associated with marijuana use.
Mitigation of Risk

Cole Memo - Enforcement Priority #7

Preventing the growing of marijuana on public lands and the attendant public safety and environmental dangers posed by marijuana production on public lands.
Mitigation of Risk

Cole Memo - Enforcement Priority #8

Preventing marijuana possession or use on federal property.
Concerns

Home Grows

Armored Car Service

No Credit/Debit Cards but there are other payment options with limited popularity and their own compliance issues
RCW 9A.83. A person is guilty of money laundering if the person conducts or attempts to conduct a financial transaction involving the proceeds of a specified unlawful activity and knows the property is proceeds of specified unlawful activity. Unlawful activity includes violations of federal law.

Penalties are similar to that under federal law. RCW 9A.83.020, 9A.83.030 and 9A.20.021.
Conclusion

FIs rely upon information collected by State and need access to that information. Establish a stream-lined system for FIs to make public records request.

Ability to Bank the Canna Industry is a Partnership between the State and FIs.

FIs must be a stakeholder in regulations (even those that you think won’t have an effect).
Happy Holidays!