



Community Bankers Association of Illinois *Department of Governmental Relations*

SUDAN CERTIFICATION REQUIREMENT ENDS

Illinois State Treasurer Alexi Giannoulias recently announced that his office will no longer enforce the “Sudanese certification” requirement previously imposed on Illinois financial institutions that sought State deposits. The Deposit of State Moneys Act had been amended in January of 2006 to prohibit financial institutions from receiving State deposits unless the financial institutions adopted a policy requiring borrowers to certify that they were not “forbidden entities.” The term “forbidden entities” was aimed primarily at those related with the Republic of the Sudan as specified in the statute.

Treasurer Giannoulias, who took office in January of 2007, stated in his announcement that “the Treasurer’s Office is no longer enforcing the Sudan Act and therefore is no longer requiring financial institutions to submit the certification forms previously required under the Act.” His decision was based on a federal court decision issued last month, in which the United States District Court for the Northern District of Illinois found key provisions of the legislation, including the relevant provisions in the Deposit of State Moneys Act, to be unconstitutional.

The Community Bankers Association of Illinois welcomes the decision made by Treasurer Giannoulias. As noted in the federal court’s ruling, the State of Illinois had withdrawn \$275 million from financial institutions that were unable or unwilling to comply with the regulatory burden imposed on financial institutions and their borrowers by the law.

If you have any questions regarding this matter, please feel free to contact CBAI General Counsel Jerry Cavanaugh by telephone (1-800-736-2224 from within Illinois) or by e-mail (jerry@cba.com).