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# How to Start a Profitable and Compliant **Cannabis** Banking Program

**A Guide on Cannabis Banking  
Strategies and Risk Management**

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# Understanding the Foundation: Regulatory Framework and Institutional Readiness

01

## Understand the Regulatory Framework

- Review FinCEN's 2014 Guidance on cannabis banking
- Ensure your institution understands federal vs. state law dynamics
- Recognize that while cannabis is federally illegal, compliant banking is permitted and supported by regulators

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## Assess Your Institution's Readiness

- Evaluate your risk appetite and leadership support
- Identify gaps in policies, procedures, and compliance resources
- Engage with experts to assess feasibility and profitability

These foundational steps ensure your institution has the regulatory knowledge and internal capacity necessary before moving forward with cannabis banking services.

# Implementation: Policies, Training, and Risk Management

## Develop Policies and Procedures

- Draft cannabis-specific due diligence and onboarding processes
- Create risk-based monitoring systems for CRB accounts
- Ensure reporting mechanisms are in place for SARs and CTRs

**Pro Tip:** Partner with experts like Cogent Law to ensure these documents meet regulatory expectations.

## Train Staff and Leadership

- Educate leadership and compliance teams on CRB-specific risks and procedures
- Implement ongoing training to keep up with regulatory updates

## Establish Risk Management and Compliance Monitoring

- Conduct regular risk assessments for your cannabis banking program
- Monitor CRB accounts for suspicious activity, in line with BSA/AML requirements
- Prepare for regulatory exams by ensuring documentation is thorough and up to date

# Optimization and Growth: Maximizing Your Cannabis Banking Program

## Optimize for Profitability

- Design a fee structure that reflects the additional compliance costs and the value offered to CRBs
- Explore lending and other financial products to serve CRBs beyond deposit accounts

## Engage with the Industry

- Join industry associations and participate in cannabis banking forums
- Stay informed about state-level regulatory changes and evolving federal policy

### **Bonus: The Early-Mover Advantage**

Institutions that act now gain:

- Competitive positioning before market saturation
- Stronger relationships with cannabis-related businesses
- Enhanced reputation as innovative, risk-managed financial leaders

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## About Cogent Law

Cogent Law is a recognized leader in cannabis banking compliance. With extensive experience in financial regulation, legal advisory, and operational implementation, Cogent Law provides financial institutions with practical, comprehensive support for launching and scaling cannabis banking programs.

## Ready to Get Started?

Book a consultation with Cogent Law today to explore how your institution can build a compliant, profitable cannabis banking program.

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