

**MEMO# 22332**

March 14, 2008

## **TAAC Suspicious Activity Reporting ("SAR") Survey II Results**

[22332]

March 14, 2008

TO: AML COMPLIANCE WORKING GROUP No. 2-08  
OPERATIONS COMMITTEE No. 6-08  
TRANSFER AGENT ADVISORY COMMITTEE No. 15-08    RE: TAAC SUSPICIOUS ACTIVITY  
REPORTING ("SAR") SURVEY II RESULTS

The Transfer Agent Advisory Committee established a task force, chaired by Charles Hawkins of PFPC Inc., to develop a second survey on SAR monitoring and reporting by mutual fund transfer agents [\[1\]](#). The current survey was designed to gather information regarding current procedures for monitoring and reporting suspicious activity in the context of the mutual fund SAR rule that became effective for transactions occurring after October 31, 2006. The survey collected data from respondents with respect to transaction review procedures, pattern recognition procedures, procedures for foreign and institutional accounts, SAR reporting and follow-up procedures and AML training for employees.

Thirty-one fund families completed the survey. The survey results are attached for your review and include data collected from respondents in October and November 2007.

The SAR Survey II report is the proprietary, confidential, and copyrighted property of the Investment Company Institute ("ICI"). The report may be shared with your firm's employees, agents (if the agent is under a nondisclosure agreement) and fund directors, so long as the survey results are not disclosed, published, or otherwise shared with any other person without the prior written authorization of the ICI. Notwithstanding anything to the contrary, ICI may from time to time share aggregated survey results with third parties as it

deems appropriate.

The ICI solicited data from member complexes for informational purposes only. All survey responses were aggregated and no individual complex data are presented or discussed in the report. The aggregate survey results will be discussed at future ICI Committee meetings. Institute members should act independently in making any decisions based on the survey results.

We would like to extend our thanks to Charles Hawkins and the other TAAC members who participated on the SAR Survey II Task Force. We would also like to thank those fund company representatives that completed the survey. If you have any questions or comments, please contact the undersigned at 202-326-5850 or at [butler@ici.org](mailto:butler@ici.org).

Diane M. Butler  
Director - Transfer Agency & International Operations

[Attachment](#)

#### **endnotes**

[1] The TAAC conducted its first SAR Survey in 2004. See ICI memo #18960 dated June 21, 2005.

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