

MEMO# 30602

February 24, 2017

FinCEN Requests Comment on Proposed Revisions to Suspicious Activity Report Data Fields

[30602] February 24, 2017 TO: ICI Members

AML Compliance Working Group

Broker/Dealer Advisory Committee

Investment Advisers Committee

Operations Committee

SEC Rules Committee

Small Funds Committee

Transfer Agent Advisory Committee

SUBJECTS:

Anti-Money Laundering

Compliance

Operations

Transfer Agency

RE: FinCEN Requests Comment on Proposed Revisions to Suspicious Activity Report Data Fields

The Financial Crimes Enforcement Network ("FinCEN") has requested comment on its proposed changes to the data fields that financial institutions (including mutual funds) complete when they file suspicious activity reports ("SARs").^[1] The notice does not otherwise propose any new regulatory requirements or changes to the requirements related to suspicious activity reporting that currently apply to financial institutions.^[2]

The proposed changes to the data fields are numerous and largely technical in nature. The changes would include revisions and new items related to cyber-events.

Comments are due by April 3, 2017. **Presently, ICI does not intend to comment on this proposal. If you believe that we should, and have specific comments that we should consider making, please reach out to me directly (matt.thornton@ici.org or 202-371-5406) by Friday, March 10.**

Matthew Thornton

endnotes

[1] *Proposed Collection; Comment Request; Update and Revision of the FinCEN Suspicious Activity Reports Electronic Data Fields*, Financial Crimes Enforcement Network, 82 Fed. Reg. 9109 (Feb. 2, 2017), available at www.gpo.gov/fdsys/pkg/FR-2017-02-02/pdf/2017-02235.pdf.

[2] A mutual fund is required to file a SAR if: (i) a transaction is conducted or attempted by, at, or through a mutual fund; (ii) the transaction involves or aggregates funds or other assets of at least \$5,000; and (iii) the mutual fund knows, suspects, or has reason to suspect that the transaction: (a) involves funds or is intended to disguise funds derived from an illegal activity, (b) is designed to evade requirements of the Bank Secrecy Act, (c) has no business or apparent lawful purpose, and the mutual fund knows of no reasonable explanation for the transaction after examining the available facts, or (d) involves the use of the mutual fund to facilitate criminal activity. 31 C.F.R. § 1024.320(a).