

MEMO# 24793

December 15, 2010

ICI Comment Letter on BSA-SAR Database Proposed Data Fields

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TO: AML COMPLIANCE WORKING GROUP No. 19-10
TRANSFER AGENT ADVISORY COMMITTEE No. 85-10 RE: ICI COMMENT LETTER ON BSA-SAR DATABASE PROPOSED DATA FIELDS

On December 14th, ICI submitted a letter to Financial Crimes Enforcement Network ("FinCEN") in response to FinCEN's request for comments on the data fields proposed to be included in the new Bank Secrecy Act ("BSA") database that will support the electronic filing of suspicious activity reports ("SARs") by financial institutions, including mutual funds. [\[1\]](#) ICI's letter states that FinCEN's perception that the proposal does not impose new requirements fails to recognize that the new database will have a significant impact on systems and personnel involved in suspicious activity reporting. Filing through the proposed database will impact not only the electronic systems used to collect and manage suspicious activity reporting, but also the internal policies and procedures designed to collect responsive information. The letter explains that the impact of filing SARs through the new database will vary significantly depending on various factors, including whether the fund family currently uses a proprietary system for filing SARs. In order to permit firms better to manage their financial and personnel resources to meet the requirements of the proposal, and to allow time to resolve any issues that require further guidance or clarification, the letter requests an implementation period of at least 18 months.

ICI's letter also notes that completion of the data fields requires subjective determinations, resulting in potential inconsistencies in usage, and that certain data fields would benefit from further clarification regarding FinCEN's expectations. The subjectivity and lack of clarity on certain terms raise concerns, including that government examiners may second guess how particular filings were completed, exposing filers to regulatory criticism or unnecessary scrutiny during exams. To help address these concerns and maximize the quality and usefulness of the data provided to FinCEN, ICI's letter recommends that FinCEN consider (1) defining or clarifying certain data fields (e.g., include a glossary of terms) and (2) reducing the number of data fields or options in some cases.

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[Attachment](#)

endnotes

[1] Financial Crimes Enforcement Network, Proposed Collection; Comment Request; Bank Secrecy Act Suspicious Activity Report Database Proposed Data Fields, 75 FR 63545 (Oct. 15, 2010) available at <http://edocket.access.gpo.gov/2010/pdf/2010-26038.pdf>. See [Memorandum](#) to AML Compliance Working Group No. 15-10 and Transfer Agent Advisory Committee No. 72-10, dated October 28, 2010 [24674].

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