

MEMO# 18371

December 27, 2004

FINCEN ISSUES GUIDANCE ON THE FILING OF SARS FOR OFAC MATCHES

[18371] December 27, 2004 TO: MONEY LAUNDERING RULES WORKING GROUP No. 31-04 OFAC ALERT MEMBERS No. 20-04 TRANSFER AGENT ADVISORY COMMITTEE No. 85-04 RE: FINCEN ISSUES GUIDANCE ON THE FILING OF SARS FOR OFAC MATCHES The Financial Crimes Enforcement Network (FinCEN) issued interpretive guidance last week clarifying when a suspicious activity report (SAR) should be filed with respect to Office of Foreign Assets Control (OFAC) matches.¹ A copy of the guidance is attached. According to this guidance, the filing of an OFAC blocking report will be deemed by FinCEN to fulfill the requirement to file an SAR, unless the facts and circumstances surrounding the OFAC match are independently suspicious (i.e., the transactions would be reportable under the SAR rules even if there were no OFAC match) or the financial institution has relevant information to report on an SAR beyond that which is included in the OFAC report. This guidance reverses FinCEN's prior position that financial institutions should file both SARs and OFAC reports on the same transactions. The guidance specifically relates to OFAC reports relating to blocked transactions with Specially Designated Global Terrorists, Specially Designated Terrorists, Foreign Terrorist Organizations, Specially Designated Narcotics Trafficker Kingpins, and Specially Designated Narcotics Traffickers. Robert C. Grohowski Associate Counsel Attachment (in .pdf format) Note: Not all recipients receive the attachment. To obtain a copy of the attachment, please visit our members website (<http://members.ici.org>) and search for memo 18371, or call the ICI Library at (202) 326-8304 and request the attachment for memo 18371. ¹ Department of the Treasury, Financial Crimes Enforcement Network, Interpretive Release No. 2004-02 — Unitary Filing of Suspicious Activity and Blocking Reports, 69 Fed. Reg. 76847 (Dec. 23, 2004).