

MEMO# 15015

August 9, 2002

TREASURY PROPOSES FORM FOR BROKER-DEALER SUSPICIOUS ACTIVITY REPORTING

[15015] August 9, 2002 TO: BROKER/DEALER ADVISORY COMMITTEE No. 28-02 MONEY LAUNDERING RULES WORKING GROUP No. 43-02 RE: TREASURY PROPOSES FORM FOR BROKER-DEALER SUSPICIOUS ACTIVITY REPORTING As you know, the Department of the Treasury recently adopted a rule that will require every broker or dealer in securities, including mutual fund principal underwriters, to file suspicious activity reports (SARs) with Treasury's Financial Crimes Enforcement Network (FinCEN).¹ The rule applies to transactions occurring after December 30, 2002. FinCEN has proposed a new form, "Suspicious Activity Report by the Securities and Futures Industry (SAR-SF)" to be used by broker-dealers to report suspicious activity. A copy of the release, which includes the proposed Form SAR-SF, is attached.² The Institute is considering whether to comment on this proposal. Comments must be filed with FinCEN by October 4th. If there are issues that you would like us to consider addressing in a comment letter, please contact me at by phone at (202) 371-5430 or by e-mail at rcg@ici.org or Frances Stadler by phone at (202) 326-5822 or by e-mail at frances@ici.org. Robert C. Grohowski Associate Counsel

Attachment (in .pdf format) 1 See Memorandum to Money Laundering Rules Working Group No. 33-02 and Broker-Dealer Advisory Committee No. 16-02, dated July 2, 2002. 2 Financial Crimes Enforcement Network; Proposed Collection; Comment Request; Suspicious Activity Report by the Securities and Futures Industry, 67 Fed. Reg. 50751 (August 5, 2002).