

MEMO# 18960

June 21, 2005

TAAC SUSPICIOUS ACTIVITY REPORTING ("SAR") SURVEY RESULTS

©2005 Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice. [18960] June 21, 2005 TO: MONEY LAUNDERING RULES WORKING GROUP No. 6-05 OPERATIONS COMMITTEE No. 12-05 TRANSFER AGENT ADVISORY COMMITTEE No. 31-05 RE: TAAC SUSPICIOUS ACTIVITY REPORTING ("SAR") SURVEY RESULTS The Transfer Agent Advisory Committee established a task force last year, chaired by Lori Burgess of Delaware Investments, which developed the 2004 Suspicious Activity Reporting ("SAR") Survey. This survey was designed to gather information regarding mutual fund transfer agents' procedures for monitoring suspicious activity in the context of anti-money laundering compliance obligations. The survey collected data from respondents with respect to transaction review procedures, pattern activity procedures, account specific procedures, investment acceptance procedures, cash (currency) and cash equivalent procedures and SAR filing¹ and follow-up procedures. Forty-four fund families completed the survey. The survey results, including a listing of the mutual fund survey participants, are attached for your review. The survey results include data collected from respondents in the fall of 2004. 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 final document. The aggregate survey results will be discussed at future ICI Committee meetings. Each member should independently review and utilize such aggregated data, as it deems appropriate. These survey results are confidential, and for members' internal use only. The survey is copyrighted by the Investment Company Institute, all rights reserved. No part of the survey document may be reproduced, stored in a retrieval system, or transmitted in any form or by any means - electronic, mechanical, photocopying, recording, or otherwise - without prior permission. ¹ Mutual funds are not yet required to file SARs, but many fund families have developed voluntary SAR filing practices in anticipation of the issuance of a final rule for mutual fund suspicious activity reports under the USA Patriot Act. ² We would like to extend our thanks to Lori Burgess of Delaware Investments, who led this project, as well as to the ICI TAAC members who participated on the SAR Survey task force. We would also like to thank those fund complexes that participated in the survey. If you have any questions or comments, please contact the undersigned at 202-326-5850 or at butler@ici.org. Diane M. Butler Director - Transfer Agency & International Operations Attachment (in pdf format)

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