



November 15, 2011

Regulatory Policy and Programs Division
Financial Crimes Enforcement Network
U.S. Department of the Treasury
P.O. Box 39
Vienna, Virginia 22183

Re: PRA Comments—BSA Required Electronic Filing

Dear Sirs:

The Clearing House Association L.L.C. (“The Clearing House”)¹ is pleased to comment on FinCEN’s proposal to require electronic filing of all Bank Secrecy Act (“BSA”) reports—other than the Report of International Transportation of Currency or Monetary Instruments—beginning no later than June 30, 2012.² FinCEN cites a number of advantages to E-filing of BSA forms, including faster routing of information to law-enforcement agencies, greater data security and privacy protection, and long-term cost savings for both the government and filers. FinCEN also states that it believes that adopting the proposal “will have minimal impact on depository institutions” because all depository institutions are required to file quarterly call reports with their regulators through a Web-based portal that could also be used to file BSA reports with FinCEN.³

If this were the only action FinCEN was taking toward modernizing its BSA reporting regime, we would have few comments on it. We agree with FinCEN

¹ Established in 1853, The Clearing House is the nation’s oldest banking association and payments company. It is owned by the world’s largest commercial banks, which collectively employ 1.4 million people in the United States and hold more than half of all U.S. deposits. The Clearing House Association is a nonpartisan advocacy organization representing—through regulatory comment letters, amicus briefs, and white papers—the interests of its owner banks on a variety of systemically important banking issues. Its affiliate, The Clearing House Payments Company L.L.C., provides payment, clearing, and settlement services to its member banks and other financial institutions, clearing almost \$2 trillion daily and representing nearly half of the automated-clearing-house, funds-transfer, and check-image payments made in the United States. See The Clearing House’s web page at www.theclearinghouse.org for additional information.

² 76 Fed. Reg. 57,799 (Sept. 16, 2011).

³ *Id.* at 57,800.

regarding many of the advantages it cites, and we do not believe that this proposal—standing alone—would create an undue burden on financial institutions, many of which already file their BSA reports electronically through batch filing or the discrete BSA E-Filing System. This is not necessarily because the same portal can be used for BSA reports and call reports, but because our member banks have already made significant investments in the infrastructure and personnel required to capture data from numerous sources within their organizations and create the required reports in the approved electronic format. The actual filing of the completed report, once it is in the current required format, is easily the least costly or burdensome part of the reporting process.

It is for this reason that the proposal for E-filing of BSA reports must be analyzed in conjunction with FinCEN's announcement of the technical E-filing specifications for the Currency Transaction Report ("CTR")⁴ and the Suspicious Activity Report ("SAR").⁵ These are considerably new formats, which were announced in early September. They will become mandatory concurrently with the E-filing requirement on June 30, 2012, giving filers a scant nine months to update their systems to conform to the new formats.⁶

The IT and compliance professionals our member banks have assembled to assess what needs to be done to convert their systems to the new formats and how to plan their compliance efforts have found that new forms are not merely technical updates to the current forms; they are wholesale revisions that will require extensive changes to bank monitoring and data-collection systems, investigative processes, and employee training. Some changes will require revisions to customer on-boarding systems and the processes and systems of customer-information records. These kinds of systems changes typically require years to implement.⁷ On top of these changes, banks will have to adapt their testing, auditing, and examination functions to ensure that the new reports are

⁴ Financial Crimes Enforcement Network, *BSA Electronic Filing Requirements for Bank Secrecy Act Currency Transaction Report (BSA CTR)* (Sept. 2011), available at <http://bsaefiling.fincen.treas.gov/news/FinCENCTRElectronicFilingRequirements.pdf>.

⁵ Financial Crimes Enforcement Network, *BSA Electronic Filing Requirements for Bank Secrecy Act Suspicious Activity Report (BSA SAR)* (Sept. 2011), available at <http://bsaefiling.fincen.treas.gov/news/FinCENSARElectronicFilingRequirements.pdf>.

⁶ FinCEN sought public comment on proposed data fields for the SAR, 75 Fed. Reg. 63,545 (Oct. 15, 2010), and CTR, 76 Fed. Reg. 4747 (Jan. 26, 2011), but it did not suggest or request comment on a proposed implementation dates for the new forms.

⁷ FinCEN Director James Freis has recognized that even FinCEN can take 12 to 18 months to implement systems changes. See Statement of James H. Freis, Jr. before the Subcomm. on Oversight & Investigations, H.R. Comm. on Financial Services at 12 (Apr. 28, 2010), available at http://www.fincen.gov/news_room/testimony/pdf/20100428.pdf.

implemented properly and that their BSA compliance functions continue to operate in accordance with all legal requirements. Attached to this letter is a summary of some of the questions and concerns our member banks have with the proposed new formats for the CTR and SAR.

We believe that the timeline given to member banks by FinCEN is significantly shorter than would be expected in order to ensure compliance with the new requirements without risk of significant error. Even if we were to assume that (i) the new SAR filing format did not require any changes to existing bank processes, monitoring, data-collection systems, training, or on-boarding systems and processes, and (ii) filers would not require any additional clarification with respect to the new fields before redesigning their systems, the amount of time remaining before June 30, 2012, would not be sufficient to implement the required changes successfully. Both in-house development teams and third-party software vendors have indicated that the significant redesign of existing SAR filing software would normally be expected to take approximately 12 to 15 months, including the redesign and coding of front-end user interfaces to add all the necessary input fields, user acceptance testing, changes made in response to user testing, and changes to manual processes and training in order to complete implementation. Given that the two assumptions referred to above are undoubtedly unwarranted, it is clear that a significantly a significantly longer lead time will be required for mandating E-filing of these new forms.

Our members are also concerned about the impact the changes will have FinCEN's ability to provide all of the testing and support necessary for the new formats to be implemented on its proposed schedule. Every filer will be required to send test files to get their new CTR and SAR forms approved. FinCEN estimates that there are about 82,500 filers for each form, meaning that there will be at least 165,000 test files; if each filer exercises its option to send up to three test files, the total would amount to almost half a million test files that FinCEN must be able to accept, evaluate, and approve between the time banks can make their systems changes and June 30 of next year. Moreover, FinCEN has noted that while 84% of BSA reports are filed electronically, the overwhelming majority of filers (70,000 out of a total of 82,500 filers) do not file electronically, and among major filers, only about half (659 out of 1200) file electronically.⁸ This means that some 70,000 filers who are wholly new to this process will have to create or otherwise acquire the systems to collect the required information, put it into the require formats, and establish the connections with FinCEN in the next few months. Testing with these new filers, providing feedback, and perhaps retesting before finally certifying the new filers will be a daunting task for FinCEN.

⁸ 76 Fed. Reg. at 57,800, n. 5.

In our members' judgment, the June 30, 2012, deadline—when combined with the same implementation period for the new E-filing formats for the CTR and SAR—is not realistic. A more realistic time frame would be 24 months from the time that FinCEN issues its final regulation. We urge FinCEN to meet at the earliest convenient time with representatives of the banking industry to analyze the issues around the new filing requirements and develop a more realistic implementation schedule. The Clearing House would be pleased to facilitate this meeting.

If you have any questions about our comment, please contact me at 212-612-9234 or joe.alexander@theclearinghouse.org.

Very truly yours,

A handwritten signature in black ink that reads "Joseph R. Alexander" followed by a long horizontal flourish.

Joseph R. Alexander
Senior Vice President, Deputy
General Counsel, and Secretary

Attachment

THE CLEARING HOUSE ASSOCIATION L.L.C.

*Comments on FinCEN's Proposal on Required E-Filing of BSA Reports—Concerns
with E-Filing Specifications for CTR and SAR*

GENERAL COMMENTS

1. Implementation date of June 30, 2012 is not feasible given the significant changes to the CTR and SAR being requested, especially given that many systems (front end, system of record, vendors, etc.) that will need to make changes. Most large institutions have enterprise-release schedules especially when coordinated changes are occurring in multiple systems, as is the case with these changes. In order to meet a June date large institutions would need to have all development completed and ready to install before the end of January, 2012, giving them just a few months to complete all required work. Yet, as demonstrated below, there are many questions that must be resolved before crucial implementation decisions can be made, making it close to impossible to complete in the required time frame.
2. What is FinCEN's commitment to ensuring that connectivity issues within the test environment are resolved in a timely manner? One of our banks has been working since May 2011 to get E-file connectivity between its quality-assurance environment and FinCEN's test systems. If there are test environment issues within FinCEN, has thought been given by FinCEN on how this may affect a user's ability to fully test the new requirements to ensure compliance?
3. Related to testing, what will be the expected turnaround time by FinCEN to send an acknowledgement file back to the banks in the test environment? (Today it can take four to eight weeks, which, given the timelines, may affect code modifications if needed.) According to the September 9th FinCEN notice, there are 82,500 filers of CTRs and SARs. Each is allowed 3 test file submissions. Therefore, FinCEN could receive between 165,000 and 495,000 test files between November 2011 and June 2012.

4. Will banks be able to submit test E-files in both the old format and new format between now and the June 30, 2012, implementation date? If not, when will the testing for the existing format be discontinued? This may affect on-going development efforts using the existing format if it is turned off prior to June 30, 2012.
5. Will FinCEN provide additional Webinars? When?

CURRENCY TRANSACTION REPORT

1. The new specifications state that a CTR must be filed by the 15th calendar day after the day of the transaction, which is a change from the prior specifications of filing by the 25th calendar day (when filed electronically). This will significantly shorten the amount of time banks will have to complete and file CTRs. Depending on how banks process CTRs, this could lead to significantly increased costs due to the increased number of employees that will have to be devoted to preparing CTRs.
2. This new E-file requirements only pertains to CTRs and not Designations of Exempt Parties (“DOEPs”). It was explained that as a result of the new requirements there will be a separate E-file (one for CTRs and another for DOEPs) versus one E-file containing both. It was stated in the Webinar that the new DOEP requirements have not yet been published, but would soon be. This raises two questions:
 - a. What is the date that the new DOEP requirements will be published and what will the expected implementation deadline be? If it is June 30, 2012, this will place additional constraints on resources.
 - b. If the implementation date is beyond the June 30, 2012, deadline for the new CTR requirements, how should financial institutions E-file their DOEP records in the interim?
3. When a bank has records that exceed the maximums—99 records for fields (2B), (3B), (3C), (4B), and (4C) or 999 records for field (4A)—are there any specific requirements or best practices that FinCEN would like to provide about which of the items should be reported and which left off, or is it at the discretion of the filing institution?

4. **Retention period.** How does FinCEN define “date of the report”? In the past the key date was the “date of transaction.” Why the change?
5. **Retention period.** The new specifications state banks should retain a copy of the CTR data and all original supporting documentation or business-record equivalent. If a bank is relying on system of records for ownership or demographic information at the time the CTR is created, does FinCEN expect the bank to have a back-up of that information for that specific date? For example, if a CTR is created on day one, but on day three the customer changes his address, is the expectation to retain the day-one information for the entire retention period (i.e., all data used to create the CTR)? This may create storage issues with the amount of data that would need to be retained.
6. **Identification requirements.** In the general instructions it states for identification requirements, “[a]ll individuals (except employees of an armored car service operating as an agent of the reporting financial institution) conducting reportable transactions for themselves or for another person, must be identified by means of an official document.” However, under the Item Instructions—Part I Person Involved in Transaction, number 20 it states “Enter in Item 20 the information used to identify the individual or entity recorded in Item 4.” Item 4 refers to the individual’s last name or entity’s legal name (basically, any conductor or beneficiary). So the general requirements state individuals conducting reportable transactions for themselves or for another person, while the item instructions state for any conductor or beneficiary recorded in item 4. What is the true expectation? If the later, is the expectation that a conductor should be presenting identification for the beneficiary (when conducting for another person)?
7. For those banks that may have switched vendors over the last several years, how should an amendment be sent if needed from their legacy systems, especially given that paper forms may not be available in the future? The primary issue is associating a Document Control Number for the amendment.
8. For new fields that are not required fields, what is FinCEN’s expectation to the collection, storage, and submission of this information? For example, if a bank’s system of records does not currently contain all of the required information, or its front-end system does not allow for the collection of this

information, does FinCEN expect systems to be changed to accommodate the new fields? Do these fields fall under the penalties of “or to supply information” as described under Penalties (item #6) in Attachment D—Electronic Filing Instructions? The fields include:

- a. Contact Telephone Number
- b. Contact Telephone Extension
- c. Gender
- d. AKA
- e. TIN Type
- f. Foreign-Taxpayer Identification Number (not yet defined)
- g. E-mail address
- h. NAICS

If a field is not marked as required or required (conditional) is it then optional? Some examples are those listed above along with the items below (not all-inclusive):

- a. All cash-in or cash-out fields on the 3A record: While the total cash-in and total cash-out are required, the specific breakdowns (e.g., cash-in deposits, cash-in payment, etc.) don’t state required or conditional. If truly optional, this would mean law-enforcement agents will have less information than they do today since no indication would be reflected on the type of transaction conducted.
- b. For the 4A record, it would appear that the Alternate Name (AKA and DBA) are now optional. Again, this would appear as a change from prior instructions. Other fields on this record that would appear optional are:
 - i. Occupation or type of business
 - ii. NAICS code
 - iii. Cash-in Amount and Cash-out Amount (for each party reported in a 4A record)
- c. Financial Institution ID Number Type (if a financial institution has one)
- d. For the 4B and 4C records, it would appear that the account number fields are not optional.

As this analysis demonstrates, these fields are not optional but required or conditionally required. If this is correct, then the document (each specific field in each specific record) should provide that information.

9. Filers need a definition of “Foreign Taxpayer Identification Number,” which is not defined. Also, will FinCEN provide guidance on which foreign countries may not have a foreign taxpayer identification number, and for those that do what it is called within those countries?

10. **Monetary amounts.** With having to provide subtotals for types of transactions (e.g., cash in–deposits, cash in–payments, etc.) that when totaled need to equate to the total cash figure (i.e., total cash in), what method of rounding would FinCEN like to see out of the three options—or is there another method?

- a. Round each transaction, sum per type of transaction, and then sum those for the total cash figure.
- b. Sum per type of transactions, round that amount, and then sum the types of transactions for the total cash figure.
- c. Sum all types of transactions, round, and then use that figure for the total cash figure. If this is the expectation, then how would a bank back into the sub-totals for the various categories?

Each of the above may return differing results as reflected below:

Original Transactions		Option A		Option B		Option C	
Transaction Type	Transaction Amount	Transactions	sub totals'	Transactions	sub totals'	Transactions	sub totals'
Cash-in Deposit	\$6,103.03	\$6,104				\$6,103.03	
Cash-in Deposit	\$5,555.95	\$5,556				\$5,555.95	
Cash-in Deposit	\$7,234.34	\$7,235	\$18,895	\$18,893.32	\$18,894	\$7,234.34	
Cash-in Payment	\$1,453.23	\$1,454				\$1,453.23	
Cash-in Payment	\$4,324.99	\$4,325	\$5,779	\$5,778.22	\$5,779	\$4,324.99	
Cash-in Neg Inst Pur	\$13,043.23	\$13,044				\$13,043.23	
Cash-in Neg Inst Pur	\$34,209.33	\$34,210	\$47,254	\$47,252.56	\$47,253	\$34,209.33	
Total all Cash	\$71,924.10	\$71,928	\$71,928	\$71,924.10	\$71,926	\$71,924.10	\$71,925

11. With the requirement of reporting what each conductor or beneficiary did (cash amounts and accounts), how does FinCEN want this reported? Today, most systems use one TIN or other piece of information on an account for aggregation purposes. For example, if there were two \$6,000 cash deposits

to a joint checking account, these would aggregate on the primary TIN of the account owner, with both individuals being reported in one CTR as beneficiaries. With the new requirement to report the cash amount and account of each party, one could expect two CTRs rather than one since each party would be reflected for \$12,000. Is this of what FinCEN intended? If the expectation is to have the above example reflected in one CTR rather than two unique CTRs (one for each beneficiary being reported), what link would FinCEN like a filer to use to tie these two items into one CTR? Keep in mind that other transactions may occur on other accounts owned individually or jointly with other parties when determining if these should be linked in some fashion. Based on the response more discussions may be needed.

12. Due to current aggregation methods, cash transactions are not aggregated to other parties. It appears that to meet the new requirement of providing cash-in or cash-out figures (and accounts) for each conductor or beneficiary involved and reported on 4A record, banks would need to aggregate for all parties versus only the primary party. Is that a correct assumption?
 - a. Consider, for example, the case of John and Maria who have a joint checking account and John has a loan (individually). During the day a cash deposit of \$6,000 is made to the joint checking account, with another \$6,000 cash payment made to the loan at another location later in the day. What is FinCEN's expectation for the reporting of the above? E.g., is it only to John for \$12,000 or would FinCEN expect to see the \$6,000 to Maria for the joint checking account, even though individually it is below the reporting threshold of \$10,000 for Maria?
13. If there are two 4A records and the accounts affected are the same for both parties in the 4A records, is the expectation to send two 4B or 4C records (as applicable), one for each of the 4A records in this situation?
14. **For Person Involved Type:** In the following example, what would be the expectation from FinCEN?
 - a. John and Maria have a joint checking account. During one single day John makes a cash deposit of \$12,000 to the account. Is the expectation that John would be identified as the person conducting transaction on his own behalf, with Maria also identified as person on whose behalf transaction is conducted? If

later that same day Maria also makes a cash deposit of \$12,000 into the joint checking account, the reporting of that item would be reversed from above, i.e., Maria would be reported as the person conducting transaction on her own behalf, and John also identified as a person on whose behalf transaction is conducted. At the time of reporting, how would FinCEN want that transaction aggregated: four 4A records or some different set of reports?

More complex examples should be provided by FinCEN to address the various conductors/beneficiary scenarios.

15. With the CTR's BSA Identifier ("BSAI") replacing the DCN, what will the BSAI number sequence represent? For the DCN, the first four digits are the year filed, the next three are the Julian date, and the last two digits tell how it was filed (paper or electronic).
16. **Person involved in the transaction (#2).** For item 2c, it states "Person on whose behalf transaction is conducted," with the specific instructions of "Check box 2c if the transaction was conducted by a different person on behalf of the person recorded in Part I." It appears that field 2c is intended to be used when no conductor information is required either because of an aggregation of cash transactions that when combined are greater than \$10,000 or when there is a conductor but additional cash deposits of \$10,000 or less were made. The issue is the person who conducted the other transactions may have been someone other than the person recorded in Part I, or it could have been the person recorded in Part I. There is no way for banks to know who exactly performed those transactions. Therefore, the 2c instructions should be clarified.
17. **DBAs and AKAs.** Banks need some additional guidance on how to deal with the layout of the new records.
 - a. Are these items to be reported at a customer or an account level?
 - i. Example, ABC Inc., has two checking accounts. One with a DBA for "McDonalds" and the other with a DBA of "Arby's." If only one of the accounts had cash transactions that when aggregated were greater than \$10,000 (with no cash activity on the other account), would FinCEN want

both DBAs reported, or only the one associated with the account that had the reportable transaction?

- ii. Please confirm the same for AKA's. One account may have an AKA designation, whereas another may not.
- iii. How should multiple DBAs within a CTR be reported in the 4A record? For example, should there be a space between each DBA, should all be run together, or something different? Also, if the DBAs exceed 150 characters is there any logic or best practice FinCEN would like to see the filer use as far as which ones to report, or is it fully at the discretion of the reporting institution?

18. **NAICS.** Does FinCEN expect NAICS codes for all conductors and beneficiaries or only non-individuals? NAICS codes are used predominately for non-individuals, and if the expectation is that the NAICS code matches the occupation provided (as stated in the instructions) then a NAICS code may not meet the stated requirement. For example, NAICS does not include common occupations such as waiter, nurse, car salesperson, electrician, or student. In these situations, should the NAICS code reflect the business of the individual's employer (e.g., restaurant or hospital)? Would it be acceptable if a NAICS code is available to use it to populate the occupation/type of business field to ensure compliance with this requirement?

19. With "Advance(s) on credit (including markers)" being added to cash-out transaction types, when would a filer use this category as opposed to a cash withdrawal or presentment of a negotiable instrument (since some credit accounts offer check-writing capabilities)? With the advent of so many products that allow both check writing to third parties or withdrawals by an account holder, as well as paper that is only negotiable in a store, FinCEN should provide clarification or specific guidelines on when to mark which option. It may be helpful to reiterate when withdrawal should be marked versus negotiation of an instrument. Is it based on who completed the transaction—e.g., the account holder versus non-account holder—or based on the type of paper used—e.g., non-negotiable debit, etc?

20. Part III states “Prepare a separate Part III Financial Institution section for each financial institution branch involved in aggregated currency transactions.” However, in the sections that follow it appears the information is just for the financial institution, not the FI branch.
21. One of the new fields is the “Financial Institution ID Number Type”, which reflects the following options: CRD, IARD, NFA, RSSD, and SEC numbers. Please provide definitions and guidance around these to better help reporting entities determine if any of these may be applicable to their institutions. Also, please clarify what should be done when an institution has multiple RSSD numbers—e.g., at the bank holding company level as well as at national bank levels.
22. FinCEN expects all prior errors (primary or secondary) to be corrected (e.g., on system of record) to ensure future filings do not contain that error and has suggested that it may report such failures to a bank’s primary regulator. This may cause issues based on things such as addresses—as banks usually do not change the address themselves—but would need to have authorization from a customer prior to any changes being made—assuming the customer even responds. As a result banks may be held accountable for things outside of their control. Another example is today some banks use a two-letter state code for Mexico, but the new requirement is for three letters.
23. Today there is a limit to the size (60 megabytes) of E-files. Will this size be expanded to account for the additional information being requested?
24. If a bank has have a 2B record for one location, e.g., location #123, and, multiple CTRs with only a single reportable transaction completed at that location, what is the expectation for filing? Would the bank include the 2B record multiple times for each CTR, or is the expectation all CTRs should be filed under that one 2B record?
25. Today there is an “undocumented” requirement that the 2B record is in numerical order, lowest to highest. Is there any documented or undocumented requirement going forward, especially with the ability to submit multiple 2B records for one single BSA CTR?

26. For items related to armored car services, if at the time bags are dropped off a bank is unable to determine the amount of cash contained in the item(s) – either single or in aggregate, what is the expectation for the collection of information on the armored car carrier employee, since at the time of drop off the bank wouldn't know if the items are reportable or not?

SUSPICIOUS ACTIVITY REPORT

1. It appears that there will no longer be any paper form used or made available to filers. The elimination of an official form that can be printed for recordkeeping purposes adds further time to our members' development needs. All institutions that are required to file SARs are also required by law to (i) retain copies of SARs filed according to the timelines set forth in the applicable regulations, (ii) provide copies to federal and state regulators, (iii) periodically provide copies of SARs to their boards, and (iv) have copies available to provide to law-enforcement agents on request. It appears that discrete filers will be able to download a copy of filed SARs using a specific Adobe-generated form, as FinCEN's input will be based on Adobe forms that can convert XML to either PDF or XDP files. Because batch filers have not been given a form that their systems can be modeled after and have only been given electronic-filing specifications, institutions that will be batch filing will also have to design a form that can be used to meet all of their regulatory, recordkeeping, and related needs. Because batch filers have not been given a format to use for this form, institutions will wind up using different formats that are not uniform across the industry. Institutions have a variety of SAR drafting and case-management programs, which are not necessarily based on Adobe forms. As a result, the amount of time it will take to design a printable form is expected to add significant development time to the already too-short timeline.
2. The number of fields for reporting suspicious activity greatly changed, going from the current 21 (1 BSA, 1 terrorist financing, 18 fraud, and 1 other) to 104 categories.
3. The "other" fields—one for each of the 11 new categories of suspicious activity—are new and like mini Narratives (50 characters each), so banks will be tested, audited, and examined on how well they use these mini Narratives
4. "Structuring" is a new category of suspicious activity (Record 3A, fields 73-79 from the September 2011 filing specifications) that seems to replace the old "BSA" category (Record 3A, field 267). There are six substantive structuring

activities, plus a catch-all “other” (if “other” is checked, a description of that activity is required, see point 3, above).

5. The existing “terrorist financing” category now requires either a known or suspected terrorist or terrorist organization, or “other.” Like structuring, if “other” is checked, a description of that activity is required.
6. The old form had 18 types of fraud-related activity. The new form has ten fraud categories, with at least 4 of those new (healthcare, mail, mass-marketing, and pyramid schemes). To use mail fraud, banks will have to train their analysts and investigators on the mail fraud requirements in 18 U.S.C. § 1341.
7. There would be 13 new “money laundering” fields, including an “other” field.
8. There would be six new “identification/documentation” fields, including an “other” field. This will require banks to overhaul the training programs for many employees, including tellers and relationship managers.
9. There would be 19 new “other suspicious activity” fields, including an “other.” One of these fields is particularly troubling: “suspected public/private corruption (domestic).” Is it FinCEN’s intention to establish a category for domestic politically exposed persons (“PEPs”) with monitoring and reporting requirements as is done with foreign PEPs?
10. There are 14 separate categories for suspicious activity related to insurance, securities, and mortgage fraud, all of which appear to apply to all financial institutions filers, not just those in the insurance and securities industries. Each has an “other” category with a mini narrative requirement.
11. Product Type(s) Involved has 20 categories or types of products involved in the reported activity. This is new information not previously reported as a separate field.
12. Instrument Type(s)/Payment Mechanism(s) Involved is also a new category not previously required.
13. The new form increases the number of addresses per suspect from one address to as many as 99 addresses, E-mail addresses, URLs, etc. for each suspect.

14. The new category of “Trade Based Money Laundering/Black Market Peso Exchange” is two different things—related, but very different.
15. The new category of “Transaction with no apparent economic, business, or lawful purpose.” This appears to be a repeat of the regulatory language in 31 C.F.R. §103.18, but it is not. The regulatory phrase is “[t]ransaction has no business or apparent lawful purpose” The regulation speaks to two different things: no business purposes OR no apparent lawful purpose. The new SAR form speaks of three different things: no apparent economic purpose, no apparent business purpose, and no apparent lawful purpose.