

Commerce Bancshares, Inc.
Audit and Compliance Department, TB12-1
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March 28, 2011

Delivered Via Email: regcomments@fincen.treas.gov

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

RE: Bank Secrecy Act Unified Currency Transaction Report Proposed Data Fields

Dear Sir or Madam:

Commerce Bancshares, Inc. ("CBI") is a regional bank holding company with one bank subsidiary, Commerce Bank, N.A. ("Commerce"), and total assets of \$18.5 billion at December 31, 2010. Commerce is a full-service bank, with approximately 370 banking locations in Missouri, Illinois, Kansas, Oklahoma, and Colorado and credit card operations in Nebraska. A full line of banking services, including investment management and securities brokerage, is offered. CBI also has operating subsidiaries involved in mortgage banking, credit related insurance, and private equity activities.

We appreciate the opportunity to comment on the list of proposed data fields within the new Bank Secrecy Act (BSA) database (Database) that will support Currency Transaction Report (CTR) filings by financial institutions required to file such reports under the BSA, proposed by FinCEN and published in the Federal Register on January 26, 2011.

Necessity of Information

We cannot comment on whether the collection of additional information is necessary for the proper performance of the functions of FinCEN or whether it will have practical applicability without knowing the shortcomings of the current Database. It seems to us that only the agency itself can make that determination.

We would like to note, however, that requiring more information provides more opportunity for error. Unless the agency can make a strong case for the necessity of each piece of the additional information, we would urge that it reconsider its proposal.

We appreciate the addition of “(Check if) Unknown” in several places on the CTR. Having the option to check that box will provide a better report because the reviewer will see that the field was not ignored by the reporting institution, but was considered, even if the answer is unknown.

Accuracy of Estimate of Burden

While additional data fields will certainly provide greater granularity about the underlying transactions, the proposed changes will impose additional burdens on filing institutions and their software providers. FinCEN estimates that the time required for completing and reporting the new CTR will be 40 minutes, compared to 19 minutes for the current CTR. Our experience is that 19 minutes is the *minimum*, not the average, amount of time, if all time spent reviewing the instructions, gathering the data and completing the form is included.

While we will not know the accuracy of that estimate until we begin using the new CTR form, FinCEN’s own estimate of 40 minutes for CTR completion doubles the time required and thus is a 100% increase over the current estimate, imposing a significant time and expense burden on financial institutions and very likely resulting in the need for increased staffing.

Ways to Minimize Burden

Field definitions and field names are not carried over from the existing CTR form and should be matched to the proposed fields in the new form. For example, the date of the transaction in Part II is proposed to be changed from the fifth item (field 28) in that section to the first item (field 23). These changes will require re-mapping, forwards and possibly backwards, multiple tables within existing databases and software applications so that CTR information is compatible. We suggest that the fields in the proposed CTR Database containing the same information as fields in the current CTR form be given the same number to minimize the programming burden.

Automated collection techniques and the use of information technology would appear to be ways to minimize the burden of collecting additional information, but the reality is that we do not have that capability. Were we to develop such technology, the time and expense involved, including all of the programming, testing, training and documentation of procedures that accompany an IT project would be considerable. Given the vast number of regulatory changes requiring new or modified systems, the likelihood that we would even consider developing yet another capability is quite small.

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Costs Estimate

Although we know that the costs to comply with the Database modification will be substantial, it is difficult to provide a credible estimate because there will be costs over which we have no control. We do know, however, that we will be forced to increase staffing, pay for software changes and testing, train staff and closely monitor compliance when the change is implemented. A 100% increase in completion time, which is only one small aspect of the effect of the proposed changes, will have a proportionate effect on our budget.

In closing, while many of the proposed changes will benefit law enforcement and provide more information about the underlying transactions, the overall burden to financial institutions is potentially greater than the value of any additional information that FinCEN may receive, especially when considered along with the agency's proposed changes to Suspicious Activity Reports. Financial institutions are struggling to comply with a staggering number of recent regulatory changes and we urge FinCEN to find ways to reduce the economic impact of the new Database on CTR filers.

Thank you for giving us the opportunity to comment.

Sincerely,

Commerce Bancshares, Inc.

Andrew D. Martin
Bank Secrecy Act/Anti-Money
Laundering Compliance Officer
Financial Institutions Unit