DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network; Proposed Collection; Comment Request; Suspicious Activity Report by Insurance Companies

AGENCY: Financial Crimes Enforcement Network (''FinCEN'').

ACTION: Notice and request for comments.

SUMMARY: FinCEN invites comment on a proposed information collection contained in a new form, ''Suspicious Activity Report by Insurance Companies (SAR–IC).'' The form will be used by insurance companies to report suspicious activity to the Department of the Treasury. This request for comments is being made pursuant to the Paperwork Reduction Act of 1995, Pub. L. 104–13, 44 U.S.C. 3506(c)(2)(A).

DATES: Written comments are welcome and must be received on or before January 3, 2006.

ADDRESSES: Written comments should be submitted to: Department of the Treasury, Financial Crimes Enforcement Network, Regulatory Policy and Programs Division, P.O. Box 39, Vienna, VA 22183, Attention: PRA Comments—SAR-Insurance Companies Form. Comments also may be submitted by electronic mail to the following Internet address: *regcomments@fincen.treas.gov,* again with a caption, in the body of the text, ''Attention: PRA Comments—SAR-Insurance Companies Form.''

Inspection of comments. Comments may be inspected, between 10 a.m. and 4 p.m., in the FinCEN reading room in Washington, DC. Persons wishing to inspect the comments submitted must request an appointment by telephoning (202) 354–6400.

FOR FURTHER INFORMATION CONTACT: FinCEN's Regulatory Policy and Programs Division, Forms Administration at (800) 949–2732.

SUPPLEMENTARY INFORMATION: *Title:* Suspicious Activity Report by Insurance Companies (SAR–IC).

OMB Number: 1506–00XX.

Form Number: FinCEN Form 108.

Abstract: The statute generally referred to as the ''Bank Secrecy Act,'' Titles I and II of Public Law 91–508, as amended, codified at 12 U.S.C. 1829b, 12 U.S.C. 1951–1959, and 31 U.S.C. 5311–14, 5316–5332, authorizes the Secretary of the Treasury, *inter alia,* to require financial institutions to keep records and file reports that are determined to have a high degree of usefulness in criminal, tax, and regulatory matters, or in the conduct of intelligence or counter-intelligence activities, to protect against international terrorism, and to implement counter-money laundering programs and compliance procedures.[1] Regulations implementing the Bank Secrecy Act appear at 31 CFR part 103. The authority of the Secretary to administer the Bank Secrecy Act has been delegated to the Director of FinCEN.

The Secretary of the Treasury was granted authority in 1992, with the enactment of 31 U.S.C. 5318(g), to require financial institutions to report suspicious transactions. On October 17, 2002, we issued a notice of proposed rulemaking requiring insurance companies to report suspicious transactions. The final rule can be found at 31 CFR 103.16, which also can be found in today's FR.

In the preamble to the notice of proposed rulemaking, we indicated that we would be developing a suspicious activity reporting form for insurance companies entitled ''Suspicious Activity Report by Insurance Companies,'' or ''SAR–IC.''[2]

The information collected on the new form is required to be provided pursuant to 31 U.S.C. 5318(g) and 31 CFR 103.16. This information will be made available, in accordance with strict safeguards, to appropriate criminal law enforcement and regulatory personnel, for use in official performance of their duties, for regulatory purposes and in investigations and proceedings involving domestic and international money laundering, terrorist financing, and other financial crimes.

Reports filed by insurance companies required to report suspicious transactions under 31 CFR 103.16, and any reports filed voluntarily by other insurance companies will be subject to the protection from liability contained in 31 U.S.C. 5318(g)(3) and the provision contained in 31 U.S.C. 5318(g)(2) which prohibits notification of any person involved in the transaction that a Suspicious Activity Report has been filed.

The enclosed draft SAR–IC form is presented only for purposes of soliciting public comment on the form. This form should not be used at this time to report suspicious activity. A final version of the form will be made available at a later date.

Type of Review: New information collection.

Affected public: Business or other for-profit institutions.

Frequency: As required.

Estimated Burden: Reporting average of 2 hours per response. This burden relates to the completion of the SAR–IC form and the recordkeeping burden of 31 CFR 103.16. *See* 67 FR 64067, 64075.

Estimated number of respondents: 1,200.

Estimated Total Annual Responses: 1,200.

Estimated Total Annual Burden Hours: 2,400.

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Records required to be retained under the Bank Secrecy Act must be retained for five years.

Request for Comments: Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance and purchase of services to provide information.

Dated: October 28, 2005.

William J. Fox,

Director, Financial Crimes Enforcement Network.

BILLING CODE 4810–02–P

[1] Language expanding the scope of the Bank Secrecy Act to intelligence or counter-intelligence activities to protect against international terrorism was added by Section 358 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism (USA PATRIOT Act) Act of 2001 (the ''USA Patriot Act''), Public Law 107–56.

[2] *See* 67 FR 64067, 64075.

FinCEN Form 108

November 2005

Suspicious Activity Report by Insurance Companies

Please type or print. Always complete entire report. Items marked with an asterisk * are considered critical. (See instructions).

1506-00xx

1 Check this box only if amending or correcting a prior report. ☐ 1a. Check this box if this is an updated report ☐

Part I Subject Information

2 Check (a) ☐ if multiple subjects (b) ☐ subject information unavailable (See instructions)

*3 Individual's last name or entity's full name	*4 First name	5 Middle initial
6 Also known as (AKA - individual), doing business as (DBA - entity)	7 Occupation or type of business	
*8 Address	*9 City	*10 State
*11 ZIP Code —	12 Country code (If not U.S.) (See instructions)	*13 SSN/ITIN (Individual), or EIN (Entity)
*14 Date of birth ___/___/___ MM DD YYYY		

*15 Government issued identification (If available)

a ☐ Driver's license/state ID b ☐ Passport c ☐ Alien registration d ☐ Other _____

e ID Number _____ f Issuing state or country _____

16 Work phone number ( ) —	17 Home phone number ( ) —

Part II Suspicious Activity Information

*18 Type of suspicious activity: a ☐ Money laundering b ☐ Terrorist financing

*19 Date or date range of suspicious activity

From ___/___/___ MM DD YYYY To ___/___/___ MM DD YYYY

*20 Total dollar amount involved in suspicious activity $ .00

*21 Covered product type (Check all that apply)

a ☐ Annuity contract b ☐ Permanent life insurance policy c ☐ Other (Explain in Part V)

*22 Method of payment a ☐ Cash b ☐ Personal Check c ☐ Traveler's Check d ☐ Negotiable instrument e ☐ Other(Explain in Part V)

*23 Specific activity that can be identified. (Check all that apply)

a ☐ Bribery/gratuity
b ☐ Cash/unusual premium payment
c ☐ Early/excessive cash borrowing
d ☐ Early policy termination
e ☐ Excessive insurance
f ☐ Identity theft
g ☐ Little or no product performance concern
h ☐ Money structuring
i ☐ Multiple money orders or checks
j ☐ Significant transactions (wire or other) without economic purpose
k ☐ Suspicious documents or ID presented
l ☐ Transfer to unrelated third party
m ☐ Unclear or no insurable interest
o ☐ Unusual designation of beneficiary/assignee
p ☐ Unusual viatical sales
q ☐ Other (Describe in Part V)

Mail completed form to:
Detroit Computing Center
Attn: SAR - IC
P. O. Box 33106
Detroit, MI 48232-0106

Paperwork Reduction Act Notice: The purpose of this form is to provide an effective and consistent means for financial institutions to notify appropriate law enforcement agencies of known or suspected criminal conduct or suspicious activities that take place at or were perpetrated against financial institutions. This report is required by law, pursuant to authority contained in the following statutes. Board of Governors of the Federal Reserve System: 12 U.S.C. 324, 334, 611a, 1844(b) and (c), 3105(c) (2) and 3106(a). Federal Deposit Insurance Corporation: 12 U.S.C. 93a, 1818, 1881-84, 3401-22. Office of the Comptroller of the Currency: 12 U.S.C. 93a, 1818, 1881-84, 3401-22. Office of Thrift Supervision: 12 U.S.C. 1463 and 1464. National Credit Union Administration: 12 U.S.C. 1766(a), 1786(q). Financial Crimes Enforcement Network: 31 U.S.C. 5318(g). Information collected on this report is confidential (5 U.S.C. 552(b)(7) and 552a(k)(2), and 31 U.S.C. 5318(g)). The Federal financial institutions' regulatory agencies and the U.S. Departments of Justice and Treasury may use and share the information. Public reporting and recordkeeping burden for this information collection is estimated to average 30 minutes per response, and includes time to gather and maintain data in the required report, review the instructions, and complete the information collection. Send comments regarding this burden estimate, including suggestions for reducing the burden, to the Office of Management and Budget, Paperwork Reduction Project, Washington, DC 20503 and, depending on your primary Federal regulatory agency, to Secretary, Board of Governors of the Federal Reserve System, Washington, DC 20551; or Assistant Executive Secretary, Federal Deposit Insurance Corporation, Washington, DC 20429; or Legislative and Regulatory Analysis Division, Office of the Comptroller of the Currency, Washington, DC 20219; or Office of Thrift Supervision, Enforcement Office, Washington, DC 20552; or National Credit Union Administration, 1775 Duke Street, Alexandria, VA 22314; or Office of the Director, Financial Crimes Enforcement Network, Department of the Treasury, P.O. Box 39, Vienna, VA 22183. The agencies may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Catalog Number XXXXXX

Part III Reporting Financial Institution Information (See instructions) 2

24 Check this box if this report is being filed jointly (See instructions for listing joint filer information). ☐

*25 Name of financial institution — This is: a ☐ Filing Institution or b ☐ Joint filer

*26 Employer identification number

*27 Address of Financial Institution

28 Internal control/file number(Optional)

*29 City | *30 State | *31 ZIP Code

32 Primary Federal Regulator

a ☐ Federal Reserve b ☐ FDIC c ☐ NCUA d ☐ OCC e ☐ OTS f ☐ IRS g ☐ SEC h ☐ CFTC

*33 Policy number(s) affected that are related to subject listed in Part I, if any. Check "Yes" if closed or terminated.

a Policy number Yes ☐ | b Policy number Yes ☐ | c Policy number Yes ☐

*34 Contract number(s) affected that are related to subject listed in Part I, if any. Check "Yes" if closed or terminated.

a Contract number Yes ☐ | b Contract number Yes ☐ | c Contract number Yes ☐

35 Relationship of the subject (Part I) to the above listed financial institution (check no more than four):

a ☐ Accountant b ☐ Agent c ☐ Appraiser d ☐ Attorney e ☐ Borrower f ☐ Broker g ☐ Customer
h ☐ Director i ☐ Employee j ☐ Officer k ☐ Shareholder l ☐ Other _____

*36 Address of branch office(s) where activity occured

*37 City | *38 State | *39 ZIP Code | *40 Country (If not US, enter 2 digit code)

41 Address of branch office where activity occured (if required)

42 City | 43 State | 44 ZIP Code | 45 Country (If not US, enter 2 digit code)

46 Address of branch office where activity occured (if required)

47 City | 48 State | 49 ZIP Code | 50 Country (If not US, enter 2 digit code)

51 Address of branch office where activity occured (if required) ☐ Check if additional branch addresses are listed in Part V

52 City | 53 State | 54 ZIP Code | 55 Country (If not US, enter 2 digit code)

Part IV Contact for Assistance

*56 Designated contact office

*57 Designated phone number (include area code) ( ) -

*58 Date filed ____ / ____ / ____ (MM DD YYYY)

59 Agency (if not filed by financial institution)

Special note:
If this report is being filed jointly, box 24 must be checked and Item 32 completed. The filing institution and the joint filer must complete Part III and Part IV of this report. The joint filer is not required to complete Item 58 of Part IV.

DRAFT

Part V *Suspicious Activity Information - Narrative Instructions 3

Explanation/description of suspicious activity(ies). This section of the report is critical. The care with which it is completed may determine whether or not the described activity and its possible criminal nature are clearly understood by investigators. Provide a clear, complete and chronological narrative description (**continue on a blank page if necessary**) of the activity. The narrative should address as much of the information listed in the checklist below as possible.

a. **Describe** conduct that raised suspicion.
b. **Explain** whether the transaction(s) was completed or only attempted.
c. **Describe** supporting documentation (e.g., transaction records, new account information, tape recordings, e-mail messages, correspondence, etc.). **The filer (and joint filer if appropriate) must retain a copy of the SAR and its supporting documentation** and retain such documentation on file for five years.
d. **Explain** who benefited, financially or otherwise, from the transaction(s), how much and how (if known).
e. **Describe and retain** any admission, or explanation of the transaction(s) provided by the subject(s), or other persons. Indicate to whom and when it was given.
f. **Describe and retain** any evidence of cover-up or evidence of an attempt to deceive federal or state examiners, or others.
g. **Indicate** where the possible violation of law(s) took place (e.g., main office, branch, other).
h. **Indicate** whether the suspicious activity is an isolated incident or relates to another transaction.
i. **Indicate** whether there is any related litigation. If so, specify the names of the parties involved and the court where the action is pending.
j. **Indicate** a lack of a relationship between the insured, the policy or contract owner, the beneficiary, and the person/entity paying the premiums.
k. **Indicate** whether any information has been excluded from this report; if so, state reasons.
l. **Indicate** any frequent or unusual changes in a policy.
m. **Specify** any unexplained death or payment to a beneficiary in a foreign jurisdiction.
n. **Indicate** the insured, the policy or contract owner, the beneficiary, and the person paying the premiums if not already identified.
o. **Indicate** whether U.S. or foreign currency and/or U.S. or foreign negotiable instrument(s) were involved. If foreign, provide the amount, name of currency, and country of origin.
p. **Indicate** any wire transfer in or out identifier numbers, including the transfer company's name.
q. **Indicate** whether funds or assets were recovered and, if so, enter the dollar value of the recovery in whole dollars only.
r. **Indicate** any additional policy or contract number(s) from items 24 through 29 and any domestic or foreign account number(s) which may be involved.
s. **Indicate** for a foreign national any available information on subject's passport(s), visa(s), and/or identification card(s). Include date, country, city of issue, issuing authority, and nationality.
t. **Describe** any suspicious activities that involve transfer of funds to or from a foreign country, or transactions in a foreign currency. Identify the country, sources and destinations of funds.
u. **Describe** subject(s) position if employed by the financial institution.
v. **Indicate** the type of institution filing this report, if this is not clear from Part III.
w. **Indicate** in instances when the subject or entity has an agent or broker number, what that number is.
x. **Indicate** the jurisdiction in which the policy is issued (e.g., State or country).
y. If a law enforcement agency has been contacted, list the name of the agency and the name of any person contacted, their title, their telephone number, and when they were contacted.
z. If correcting a prior SAR report, complete this form in its entirety and note the changes here in Part V

Information already provided in earlier parts of this form need not necessarily be repeated if the meaning is clear.

Supporting documentation should not be filed with this report. Maintain the information for your files.

Enter the explanation/description narrative in the space below. If necessary, continue the narrative on a duplicate of this page or a blank page.

Tips on SAR form preparation and filing are available in the SAR Activity Reviews at **www.fincen.gov/pub_reports.html or the "SAR Narrative Guidance Package" at www.fincen.gov/narrativeguidance_webintro.pdf**

Legal disclaimers will not be included in this narrative.

DRAFT

Safe Harbor Federal law (31 U.S.C. 5318(g)(3)) provides complete protection from civil liability for all reports of suspicious transactions made to appropriate authorities, including supporting documentation, regardless of whether such reports are filed pursuant to this report's instructions or are filed on a voluntary basis. Specifically, the law provides that a financial institution, and its directors, officers, employees and agents, that make a disclosure of any possible violation of law or regulation, including in connection with the preparation of suspicious activity reports, "shall not be liable to any person under any law or regulation of the United States, any constitution, law, or regulation of any State or political subdivision of any State, or under any contract or other legally enforceable agreement (including any arbitration agreement), for such disclosure or for any failure to provide notice of such disclosure to the person who is the subject of such disclosure or any other person identified in the disclosure."

Notification Prohibited Federal law (31 U.S.C. 5318(g)(2)) provides that a financial institution, and its directors, officers, employees, and agents who, voluntarily or by means of a suspicious activity report, reports suspicious transactions to the government, may not notify any person involved in the transaction that the transaction has been reported.

In situations involving violations that require immediate attention, such as terrorist financing or ongoing money laundering schemes, the financial institution shall immediately notify by telephone an appropriate law enforcement authority in addition to filing a timely suspicious activity report.

Definitions

Annuity contract means any agreement between the insurer and the contract owner whereby the insurer promises to pay out a fixed or variable income stream for a period of time.

Covered product means:

(i) A permanent life insurance policy, other than a group life insurance policy;

(ii) An annuity contract, other than a group annuity policy; or

(iii) Any other insurance product with features of cash value or investment.

Group annuity contract means a master contract providing annuities to a group of persons under a single contract.

Group life insurance policy means any life insurance policy under which a number of persons and their dependents, if appropriate, are insured under a single policy.

Insurance agent means a sales and/or service representative of an insurance company. The term "insurance agent" encompasses any person that sells, markets, distributes, or services an insurance company's covered products, including, but not limited to, a person who represents only one insurance company, a person who represents more than one insurance company, and a bank or broker or dealer in securities that sells any covered product of an insurance company.

Insurance broker means a person who, by acting as the customer's representative, arranges and/or services covered products on behalf of the customer.

Insurance company or insurer:

(i) The term "insurance company" or "insurer" means any person engaged within the United States as a business in the issuing or underwriting of any covered product.

(ii) The term "insurance company" or "insurer" does not include an insurance agent or insurance broker.

Permanent life insurance policy means an agreement that contains a cash value or investment element and that obligates the insurer to indemnify or to confer a benefit upon the insured or beneficiary to the agreement contingent upon the death of the insured.

When to file a report

1. Each insurance company shall file with FinCEN, to the extent and in the manner required by 31 CFR 103.16, a report of any suspicious transaction involving a covered product that is relevant to a possible violation of law or regulation. An insurance company may also file with FinCEN, by using the form specified in 31 CFR 103.16 (c)(1) or otherwise, a report of any suspicious transaction that it believes is relevant to the possible violation of any law or regulation but whose reporting is not required by 31 CFR 103.16.

2. A transaction requires reporting under the terms of 31 CFR 103.16 if it is conducted or attempted by, at, or through an insurance company, it involves or aggregates at least $5,000 in funds or other assets, and the insurance company knows, suspects, or has reason to suspect that the transaction (or a pattern of transactions of which the transaction is a part):

(i) Involves funds derived from illegal activity or is intended or conducted in order to hide or disguise funds or assets derived from illegal activity (including, without limitation, the ownership, nature, source, location, or control of such funds or assets) as part of a plan to violate or evade any federal law or regulation or to avoid any transaction reporting requirement under federal law or regulation;

(ii) Is designed, whether through structuring or other means, to evade any requirements of 31 CFR 103 or of any other regulations promulgated under the Bank Secrecy Act, Pub. L. 91-508, as amended, codified at 12 U.S.C. 1829b, 12 U.S.C. 1951-1959, and 31 U.S.C. 5311-5314; 5316-5332;

(iii) Has no business or apparent lawful purpose or is not the sort in which the particular customer would normally be expected to engage, and the insurance company knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction; or

(iv) Involves use of the insurance company to facilitate criminal activity.

3. An insurance company is responsible for reporting suspicious transactions conducted through its insurance agents and insurance brokers. Accordingly, an insurance company shall establish and implement policies and procedures reasonably designed to obtain customer information necessary to detect suspicious activity from all relevant sources, including from its insurance agents and insurance brokers, and shall report suspicious activity based on such information. Certain insurance agents and insurance brokers may have a separate obligation to report suspicious activity pursuant to other provisions of 31 CFR Part 103. In those instances, no more than one report is required to be filed by the financial institutions involved in a particular transaction so long as the report contains all relevant facts, including the name of both institutions in the narrative section, and both institutions maintain a copy of the report filed, along with any supporting documentation.

4. A suspicious transaction shall be reported by completing a Suspicious Activity Report by Insurance Companies (SAR-IC), and collecting and maintaining supporting documentation as required by 31 CFR 103.16. The SAR-IC shall be filed with FinCEN in a central location, to be determined by FinCEN, as indicated in the instructions to the SAR-IC.

5. A SAR-IC shall be filed no later than 30 calendar days after the date of the initial detection by the insurance company of facts that may constitute a basis for filing a SAR-IC under this section. If no suspect is identified on the date of such initial detection, an insurance company may delay filing a SAR-IC for an additional 30 calendar days to identify a suspect, but in no case shall reporting be delayed more than 60 calendar days after the date of such initial detection. In situations that require immediate attention, such as ongoing terrorist financing or money laundering schemes, the insurance company shall immediately notify by telephone an appropriate law enforcement authority in addition to filing timely a SAR-IC. Insurance companies wishing voluntarily to report suspicious transactions that may relate to terrorist activity may call FinCEN's Financial Institutions Hotline at 1-866-556-3974 in addition to filing timely a SAR-IC if required by this section.

6. Exception. An insurance company is not required to file a SAR-IC to report the submission to it of false or fraudulent information to obtain a policy or make a claim, unless the company has reason to believe that that the false or fraudulent submission relates to money laundering or terrorist financing.

DRAFT

Suspicious Activity Report Instructions 2.

General Instructions

A. Abbreviations and Definitions

1. AKA--also known as (individual)
2. DEA--Drug Enforcement Administration
3. DBA--doing business as (entity)
4. EIN--Employer Identification Number
5. FBI--Federal Bureau of Investigation
6. ICE--Immigration and Customs Enforcement
7. IRS--Internal Revenue Service
8. ITIN--Individual Taxpayer ID Number
9. NAIC--National Association of Insurance Commissioners
10. SSN--social security number

B. How to make a report:

NOTE: If this report is jointly filed, both of the filing institutions must retain a copy of the SAR and any supporting documentation for a period of five years from the date the report was filed.

1. **This form should be e-filed through the Bank Secrecy Act E-filing System. Go to http://bsaefiling.fincen.treas.gov/index.jsp to register.** This form is also available for download on the Financial Crimes Enforcement Network's Web site at www.fincen.gov, or may be ordered by calling the IRS Forms Distribution Center at (800) 829-3676.

If not filed electronically, send each completed suspicious activity report to:

Detroit Computing Center
Attn: SAR - IC
P.O. Box 33106
Detroit, MI 48232-0106

2. While all items are important, items marked with an asterisk (*) are considered critical for law enforcement purposes and **are required to be completed if known.**

3. If the information for a critical item is not known or not applicable, enter special responses "None," "Not Applicable," "Unknown," or "XX" (state/country/middle initial) as appropriate to complete the item. Other fields should be left blank if the information is unknown or not applicable.

4. Complete each suspicious activity report by providing as much information as possible on initial and corrected reports.

5. Do not include supporting documentation with the suspicious activity report filed. Identify and retain a copy of the suspicious activity report and all supporting documentation (e.g. transaction records, new account information, tape recordings, e-mail messages, correspondence, etc.) or business record equivalent for your files for five (5) years from the date of the suspicious activity report. All supporting documentation must be made available to appropriate authorities upon request.

6. If more than one subject is being reported, make a copy of page 1, complete only the subject information in Part I, and attach the additional page(s) behind page 1. If more space is needed to complete any other item(s), identify that item in Part V by "item number," and provide the additional information.

7. Type or complete the report using block written letters.

8. Enter all **dates** in MM/DD/YYYY format where MM=month, DD=day, and YYYY=year. Precede any single number with a zero, *i.e.*, 01,02, etc.

9. List all **telephone numbers** with (area code) first and then the seven numbers, using the format, i.e., (XXX) XXX-XXXX. List international telephone and fax numbers in Part V.

10. Always enter an **individual's name** by entering the last name, first name, and middle initial (if known). If a legal entity is listed, enter its name in the last name field.

11. Enter all **identifying numbers** (alien registration, driver's license/state ID, EIN, ITIN, Foreign National ID, passport, and SSN etc.) starting from left to right. Do not include spaces, dashes, or other punctuation.

12. Enter all **Post Office ZIP Codes** with at least the first five numbers (all nine (ZIP + 4)) if known) and listed from left to right.

13. Enter all **monetary amounts** in U.S. Dollars. Use whole dollar amounts rounded up when necessary. Use this format: $0,000,000.00. If foreign currency is involved, state name of currency and country of origin in Part V.

14. **Addresses, general.** Enter the permanent street address, city, two letter state/territory abbreviation used by the U.S. Postal Service and ZIP Code (ZIP+4 if known) of the individual or entity. A post office box number should not be used for an individual, unless no other address is available. For an individual, also enter any apartment number or suite number, road or route number. If a P.O. Box is used for an entity, enter the street name, suite number, and road or route number. If the address of the individual or entity is in a foreign country, enter the city, province or state, postal code and two letter country code. Complete any part of the address that is known, even if the entire address is not known. If from the United States, leave country box blank.

C. Specific SAR Preparation Instructions

Item 1-- Type of report. Check Box , "Corrects Prior Report", if this report is filed to correct a previously filed SAR-IC. To correct a report, a new SAR-IC must be completed in its entirety. Note corrected information in Section V (see line "z").

Item 1a-- Check this box if this is an updated report.

PART I Subject Information

Note: Enter information about the person(s) or entity involved that caused this report to be filed, not the victim of the activity.

Item 2 -- Multiple Subjects. If there are multiple subjects involved, check box "2a" and complete a separate Part I for each subject. Check box "2b" only if **NO** subject information is available. If **ANY** subject information is available, record that information in Part 1, leave box "2b" blank, and insert the appropriate special response in any critical item for which data is missing.

Items 3, 4, and 5--*Name of Subject. See General Instruction B10. If the organization is operated under a different trade or business name than its legal name, enter the organization's legal name in Item 3 (e.g., Smith Enterprises, Inc.) and the name of the business in Item 6 (e.g., Smith's Tours). If more than one Part I is required, make a copy of page 1 and provide the additional information.

Item 6-- Also known as (AKA-individual), or doing business as (DBA-entity). If a reporting institution has knowledge of a subject's separate "AKA" or entity's "DBA" name, enter it in item 6.

Item 7-- Occupation/type of business. If known, identify the occupation, profession or business that best describes the individual in Part I (e.g., attorney, car dealer, carpenter, doctor, farmer, plumber, truck driver, etc.). Do not use nondescript terms such as businessman, merchant, store owner (unless store's name is provided). If self employed, unemployed, or retired are used, add current/former profession if known (e.g. self-employed building contractor, unemployed teacher, retired attorney etc.). If the individual's business activities can be described more fully, provide the additional information in Part V. Indicate in Item 7 if "unknown."

Items 8, 9, 10, 11, and 12-- *Address. See General Instructions B12 and B14.

Item 13-- *SSN/ITIN (individual) or EIN (entity). See General Instruction B11 and definitions. If the subject named in items 3 through 5 is a U.S. Citizen or an alien with a SSN, enter his or her SSN in Item 13. If that individual is an alien who has an ITIN, enter that number. If the subject is an entity, enter the EIN.

Item 14-- Date of birth. See General Instruction B8. If an individual is named in Items 3 through 5, enter the date of birth. If the month and/or day is not available or unknown, fill in with zeros (e.g., "01/00/1969" indicates an unknown date in January, 1969).

Item 15-- *Government issued identification. See General Instruction B11. Check the appropriate box showing the type of document used to verify subject identity. If you check "Other" box "d", be sure to specify the type of document used. In box "e", list the ID number of the identifying document. In box "f", list the issuing authority.

DRAFT

Suspicious Activity Report Instructions 3.

Items 16 and 17-- Telephone numbers. See General Instruction B9. List any additional number(s) (e.g., hotel, etc.) in Part V.

PART II Suspicious Activity Information

Item 18-- *Type of suspicious activity. Check the box(es) that generally identifies the suspicious activity being reported.

Item 19-- *Date or date range of suspicious activity. See General Instruction B8. Enter the date of the reported activity in the "From" field. If more than one day, indicate the duration of the activity by entering the first date in the "From" field and the last date in the "To" field. If the same individual or organization conducts multiple or related activities within the 30 calendar day period after the date of initial detection, the reporting institution may consider reporting the suspicious transactions on one form but only if doing so will fully describe what has occurred. A new report must be filed for other related suspicious transactions committed after the initial detection period.

Item 20-- *Total dollar amount. See General Instruction B13. Enter the total dollar value of the funds or assets involved in the suspicious activity that is conducted by the same individual or organization within the 30 calendar day period after the date of initial detection. For multiple or related suspicious transactions, show the breakdown of this aggregated total in Part V. For abuse by a person associated with the institution, the value of this item can be zero (0). Do not use words, such as "thousand", "million", etc. For foreign currency, convert to U.S. Dollars.

Item 21-- *Covered product type. Mark the type of covered product identified in the suspicious activity.

Item 22-- * Method of payment. Check the appropriate box to indicate how the policy or contract was paid for. If box "a" Cash is checked, indicate in the narrative if the payment included large bills (100's or larger). If box "e" Other is checked explain in Part V

Item 23-- *Specific activity that can be identified. If more specific details of the activity can be identified, check the box(es) that apply. Provide a brief explanation in Part V of why each box is checked. If none of these items applies, mark "other" and provide in Part V an explanation of the type of suspicious activity.

PART III Reporting Financial Institution Information.

Note: If filed jointly, a Part III and Part IV must be completed for each institution.

If this report is being filed jointly (box in item 24 checked), make a copy of page two and complete items 24 through 35 for the joint filer following the same instructions as the filer. Complete regional office reporting information, items 36 through 55 if appropriate. If there are additional joint filers, make as many copies of page two as required to record the additional joint filer information. Attach any additional pages behind page three, and indicate the total number of joint filers in Part V.

NOTE: Reports involving insider abuse may not be filed jointly.

Item 24-- Check this box if this report is being filed jointly and complete the joint filer information as directed above.

Item 25--Name of financial institution. Enter the full legal name of the institution, *i.e.* the name shown on the charter or other document creating the entity. Check box "a", "Filing institution" when the listed institution is the institution preparing and filing the report. Check box "b", "Joint filer" for all other reporting institutions.

Item 26--*Employer identification number. See General Instruction B11. Enter the reporting financial institution's EIN.

Items *27, *29, *30, and *31-- Address. See General Instruction B14. This address should be of the principal office or headquarters in the United States.

Item 28--Internal report control/file number (optional). Enter any internal file or report number assigned by the reporting institution to track this report. This information will act as an identification aid if contact is required.

Item 32--Primary Federal Regulator (This item must be completed for all reports). Depository Institutions jointly filing this report must check box "a" through "e" (only one). For all other institutions, check box "f", "g", or "h" as appropriate.

Items 33 (a, b, & c),-- Policy numbers. Enter up to three policy numbers. List additional numbers in Part V.

Items 34 (a, b, & c),-- Contract numbers. Enter up to three contract numbers. List additional numbers in Part V.

Item 35--Relationship to Financial Institution. Check the appropriate box(es) to indicate whether or not the subject identified in Part I, items 3-5 is or was associated with the reporting institution. Up to four boxes can be checked.

Items 36 through 55-- Regional office address locations. See General Instructions B12 & B14. Provide the addresses of up to four regional office locations where the most significant portion of the suspicious activity occurred. If there are more than four locations, check the box labeled "Check if additional branch ..." in the last branch address (item 51) and list the additional locations in Part V. If there are no regional addresses involved, enter "Not Applicable" in Item 36.

Part IV Contact for assistance

Items *56-- Designated contact office. Enter the name of the office that the financial institution has designated to receive request for assistance with this report. This office must have an individual knowledgeable of this report available during regular business hours.

Item *57--Phone number. See General Instruction B9. Enter the work telephone number of the contact office.

Item *58--Date filed. See General Instruction B8. Enter the date this report was filed. For electronic filing, it is the date that the report was e-filed using BSA Direct. For magnetic media filing, it is the date the magnetic media was forwarded to DCC. For all other filers, it is the date the financial institution completed the final review and mailed/submitted the report to DCC.

Item 59--Agency. If this report is filed by an agency other than a financial institution such as a regulator or OFAC, enter the name of the reporting agency in Item 59.

Part V *Suspicious Activity Information - Narrative

This is the most important section, and should be completed in as much detail as possible. See page 3 of the form for specific instructions for completing the narrative. **The reporting financial institution should not include legal disclaimers in the narrative.**

Paperwork Reduction Act Notice:

The purpose of this form is to provide an effective means for financial institutions to notify appropriate law enforcement agencies of suspicious transactions that occur by, through, or at the financial institutions. This report is required by law, pursuant to authority contained in 31 U.S.C. 5318(g). Information collected on this report is confidential (31 U.S.C. 5318(g)). Federal regulatory agencies, the U.S. Departments of Justice and Treasury, and other authorized authorities may use and share this information. Public reporting and recordkeeping burden for this form is estimated to average 45 minutes per response, and includes time to gather and maintain information for the required report, review the instructions, and complete the information collection. Send comments regarding this burden estimate, including suggestions for reducing the burden, to the Office of Management and Budget, Paperwork Reduction Project, Washington, DC 20503 and to the Financial Crimes Enforcement Network, Attn.: Paperwork Reduction Act, P.O. Box 39, Vienna VA 22183-0039. The agency may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

DRAFT

[FR Doc. 05–21916 Filed 11–2–05; 8:45 am]
BILLING CODE 4810–02–C