



Financial Crimes Enforcement Network

A bureau of the U.S. Department of the Treasury

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FOR IMMEDIATE RELEASE
March 3, 2009

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FinCEN to Expand Financial Institutions' Ability to Share Information Internally on Suspicious Activity

**Proposed rules and guidance would promote greater enterprise-wide risk
management**

VIENNA, Va. – The Financial Crimes Enforcement Network (FinCEN) has proposed revised rules and new guidance that permit certain affiliates of depository institutions as well as broker-dealers in securities, mutual funds, futures commission merchants, and introducing brokers in commodities, to share suspicious activity reports (SARs) within a corporate organizational structure for purposes consistent with Title II of the Bank Secrecy Act (“BSA”). The [proposals](#) have been submitted to the Federal Register and are awaiting publication.

“The rule and guidance proposed today helps to ensure that critical information is appropriately shared and reaffirms our commitment to protect this sensitive information,” said FinCEN Director James H. Freis, Jr. in announcing details of a new SAR sharing plan. “FinCEN recognizes the need to remove regulatory inefficiencies that detract from providing timely and accurate information to law enforcement. We will continue to pursue this shared goal with our regulatory, industry, and law enforcement partners.”

Consistent with two important purposes of the BSA – promoting financial institutions’ efforts to detect and report money laundering and terrorist financing, as well as ensuring the confidentiality of a SAR or any information that would reveal the existence of a SAR – the proposed rules and guidance permit the aforementioned financial institutions to share a SAR, or information that would reveal the existence of the SAR, with an affiliate *provided* that affiliate is subject to a SAR regulation issued by FinCEN or the Federal Banking Agencies.

FinCEN believes the proposed changes offer a number of benefits to industry:

1. The revised rules would help financial institutions better facilitate compliance with the applicable requirements of the BSA and more effectively implement enterprise-wide risk management.
2. SAR sharing also will help financial institutions assess risks based on information regarding suspicious transactions taking place through other affiliates or lines of business within their corporate organizational structures.
3. Enabling a filing institution to share the SAR with certain affiliates would eliminate the present need for a financial institution that wants to provide information to such an affiliate to create a separate summary document, which has to be crafted carefully to avoid revealing the existence of the SAR itself.

While the focus of today's announcement is on depository institutions, broker-dealers in securities, mutual funds, futures commission merchants, and introducing brokers in commodities, FinCEN is seeking comment on whether the guidance should be applied to include other financial institutions subject to a SAR rule. FinCEN continues to work with its international Financial Intelligence Unit (FIU) counterparts to address the more complex issues involved with multinational institutions sharing similar information across borders. The comment period for these [proposals](#) will extend for 90 days from the date of their publication in the Federal Register.

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The mission of the Financial Crimes Enforcement Network is to safeguard the financial system from the abuses of financial crime, including terrorist financing, money laundering, and other illicit activity. We achieve this mission by: administering the Bank Secrecy Act; supporting law enforcement, intelligence, and regulatory agencies through sharing and analysis of financial intelligence; building global cooperation with our counterpart financial intelligence units; and networking people, ideas, and information.