



KeyBank National Association
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Office of Chief Counsel
Financial Crimes Enforcement Network
US Department of Treasury
PO Box 39
Vienna VA 22183

VIA EMAIL TRANSMISSION ONLY

Attention: PRA Comments – Designation of Exempt Person Form

KeyBank National Association appreciates the opportunity to comment on the proposed changes to the Designation of Exempt Person form made by the Financial Crimes Enforcement Network.

KeyBank is opposed to the proposed wording under **Section V, Biennial Renewal Certification**, of the form. The Filer's responsibility has been expanded to include "any listed bank subsidiary" and "to this exempt person" instead of "to the account of this exempt person". The attestation through the signature has broadened the covered transactions, potentially imposing on the bank initial and continuing costs for appropriate implementation associated with the exemption. The practical application of this broadened responsibility may be to limit or eliminate the possibility of CTR exemptions based more on reporting requirements than risk of money laundering activities. The corresponding elimination or strict limitation of CTR exemptions will consequently increase "defensive CTR" filing. This increase in CTRs filed for previously exempt and potentially exempt future clients captures and reports extensive immaterial activity, generating massive paperwork burdens for both the filing institution and the agency. This reported immaterial activity would certainly be detrimental to suspicious activities that should rightly be investigated, all the while increasing the paperwork burden in contradiction to the Paperwork Reduction Act.

a) Whether the collection of information is necessary for the proper performance of the agency, including whether the information shall have practical utility.

The requested information regarding the Filer is reasonable and associated with the proper performance of the agency. It is questionable that the addition of "any listed bank subsidiaries" brings practical utility to the process for either the Filer or the agency. From an operational perspective, it is highly unlikely that the signatory has authorization for all listed bank subsidiaries. Again, another seemingly administrative detail, increasing the scrutiny and time spent for operational processing and maintenance, thereby again elevating the option of elevating CTR exemptions altogether.

b) The accuracy of the agency's estimate of the burden collection of information

The estimated total annual burden hours is currently low, however it is unlikely that the estimate includes the certain substantial increase in hours required to review all of the subsidiary information for the Filer to determine if the possibly exempt person has open accounts, loans, or other services with any of the listed subsidiaries. In addition, the possibly exempt person's account officer may need to be intricately involved, increasing the number of hours needed to address the collection of information.

c) Ways to enhance quality, utility, and clarity of the information to be collected

The American Bankers Association provided FinCEN with comments to the biennial renewal process for Phase II exemptions. Those comments state, "...mandatory renewal paperwork is unnecessary when there has been no change in the entity's entitlement to exemption. There should only be a requirement to eliminate the exemption when the customer's attributes no longer qualify for exempt treatment." KeyBank supports ABA's position with respect to unnecessary CTR filings and the enhanced value with the collection of Phase II exemption information.

Thank you for the opportunity to comment on the proposed changes. If you have any questions regarding this letter or need additional information, please contact the undersigned at (216) 813-8087.

Sincerely,
Terese Pawlowski
Vice President
KeyBank