



Department of the Treasury

Survey on Costs of Filing Currency Transaction Reports (CTRs) and Suspicious Activity Reports (SARs) and the Use of the Exemption Process

On August 23, 2002, FinCEN launched a survey of a statistically valid sample of banks, savings and loans and credit unions to gather information on the costs of filing CTRs and SARs, as well as the use of the exemption process for CTR filings. Sampled institutions were notified via email and faxes that highlighted the importance of the survey and their responses to it in helping to improve the effectiveness of Bank Secrecy Act reporting requirements to the benefit of financial institutions, as well as the federal government's anti-money laundering efforts.

The survey is in response to requirements in Section 366 of the USA PATRIOT Act and the National Money Laundering Strategy directing the Secretary of the Treasury to conduct a study of the exemption process as well as the related costs of filing CTRs and SARs and to report findings to Congress by the end of October 2002.

The Financial Crimes Enforcement Network (FinCEN) received over 12 million CTRs last year. Our best estimate indicates that over 30 percent of the CTRs filed were filed on recurring customer transactions that were eligible for exemption from CTR filing under existing rules. These millions of excess forms have little value for law enforcement purposes and, we believe, impose substantial compliance costs upon financial institutions. Also, excess filings burden our intelligence analysis and impede timely targeting of money laundering, terrorist financing and other vulnerable transactions.

The FinCEN survey, developed with the assistance of the firm of Deloitte and Touche and with input from the federal banking agencies, is intended to address concerns expressed by the financial services industry in connection with current Bank Secrecy Act reporting requirements.

Questions regarding the survey may be directed to the firm of Deloitte and Touche, FinCEN's contractor, at (202) 378-5073.

08/30/02