

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 report suspicious transactions to the government voluntarily or as required by 31 CFR 103.20, may not notify any person involved in the transaction that the transaction has been reported.

Notification Required

In situations involving suspicious transactions requiring immediate attention, such as ongoing money laundering schemes, a money transmitter; a currency dealer or exchanger; or an issuer, seller, or redeemer of money orders and/or traveler's checks shall immediately notify, by telephone, an appropriate law enforcement authority. In addition, a timely SAR-MSB form shall be filed, including recording any such notification in Part VI on the form.

A. When To File A Report:

1. Money transmitters; currency dealers and exchangers; and issuers, sellers and redeemers of money orders and/or traveler's checks that are subject to the requirements of the Bank Secrecy Act and its implementing regulations (31 CFR Part 103) are required to file a suspicious activity report (SAR-MSB) with respect to:

a. Any transaction conducted or attempted by, at, or through a money services business involving or aggregating funds or other assets of at least \$2,000 (except as described in section "b" below) when the money services business knows, suspects, or has reason to suspect that:

i. The transaction 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 nature, source, location, ownership 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. The transaction is designed, whether through structuring or other means, to evade any regulations promulgated under the Bank Secrecy Act; or

iii. The transaction has no business or apparent lawful purpose and the money services business knows of no reasonable explanation for the transaction after examining the available facts, including the background and possible purpose of the transaction.

iv. The transaction involves the use of the money services business to facilitate criminal activity.

b. To the extent that the identification of transactions required to be reported is derived from a review of clearance records or other similar records of money orders or traveler's checks that have been sold or processed, an issuer of money orders or traveler's checks shall only be required to report a transaction or a pattern of transactions that involves or aggregates funds or other assets of at least \$5,000.

2. File a SAR-MSB no later than 30 calendar days after the date of initial detection of facts that constitute a basis for filing the report.

3. The Bank Secrecy Act requires that each financial institution (including a money services business) file currency transaction reports (CTRs) in accordance with the Department of the Treasury implementing regulations (31 CFR Part 103). These regulations require a financial institution to file a CTR (FinCEN Form 104) whenever a currency transaction exceeds \$10,000. If a currency transaction exceeds \$10,000 and is suspicious, a money transmitter, or issuer, seller or redeemer of money orders and/or traveler's checks or currency dealer or exchanger must file two forms, a CTR to report the currency transaction and a SAR-MSB to report the suspicious aspects of the transaction. If the suspicious activity involves a currency transaction that is \$10,000 or less, the institution is only required to file a SAR-MSB. Appropriate records must be maintained in each case. See 31 CFR Part 103

B. Abbreviations and Definitions

1. EIN -- Employer Identification Number
2. IRS -- Internal Revenue Service
3. ITIN -- Individual Taxpayer Identification Number
4. SSN -- Social Security Number
5. Instruments -- includes Money order(s) and/or Traveler's Check(s)

6. Redeemer -- A business that accepts instruments in exchange for currency or other instruments for which it is not the issuer is a redeemer. The MSB definition in 31 CFR 103.11(u)(4) extends to "redeemers" of money orders and traveler's checks only insofar as the instruments involved are redeemed for monetary value — that is, for currency or monetary or other

negotiable or other instruments. The taking of the instruments in exchange for goods or general services is not redemption under BSA regulations.

C. General Instructions

1. **This form should be e-filed through the Bank Secrecy Act E-filing System. Go to <http://bsaeiling.fincen.treas.gov> 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.

2. If not filed electronically or through magnetic media, send each completed suspicious activity report to:

Enterprise Computing Center-Detroit
ATTN: SAR-MSB
P.O. Box 33117
Detroit, MI 48232-5980

3. While all items should be completed fully and accurately, items marked with an asterisk (*) must be completed according to the provisions of paragraph 4 below.

4. If the information for a item marked with a asterisk (*) is not known or not applicable, enter special response "XX" to complete the item. To indicate "Total amount" as unknown, check the box provided. Non-asterisk fields should be left blank if the information is unknown or not applicable.

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

6. Do not include supporting documents when filing the suspicious activity report. Retain a copy of the suspicious activity report and all supporting documentation or business record equivalent in your files for five (5) years from the date of the report. All supporting documentation (such as copies of instruments; receipts; sale, transaction or clearing records; photographs, surveillance audio and/or video recording medium) must be made available to appropriate authorities upon request.

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

8. If more than one subject is being reported, use as many copies of the Part I Subject Information page as necessary to record the additional subjects. Attach the additional page(s) behind page 1. If more than one transaction location is being reported, use as many copies of the Part III Transaction Location Information page as necessary to record the additional locations. Attach the additional page(s) behind page 2. If more space is needed for the Part VI Narrative, add as many blank continuation pages as necessary to complete the narrative. Attach the additional pages behind page 3.

If more space is needed to complete any other item, identify that item in Part VI by "item number" and provide the additional information.

9. 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.

10. Enter all **telephone numbers** with (area code) first and then the seven numbers, using the format (XXX) XXX-XXXX. List fax and international telephone numbers in Part VI.

11. 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 legal name in the last name item. If the legal entity has a trade name that is different, list the trade name in Part VI.

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

13. Enter all **ZIP Codes** with at least the first five numbers (ZIP+4, if known).

14. Enter all **monetary amounts** in U.S. Dollars. Use whole dollar amounts rounded up when necessary. Use this format: \$000,000,000. If foreign currency is involved, record the currency amount in U.S. Dollars, name, and country of origin in the Part VI narrative.

15. 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 and 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 is in a foreign country, enter the city, province or state if Canada or Mexico, and the name of the country. Complete any part of the address that is known, even if the entire address is not known. If the street address, city, ZIP Code or country is unknown, enter "XX" in the item. Lists of two-digit country and state codes are available on the FinCEN web site at www.fincen.gov/reg_bsaforms.html, or by calling 1-800-949-2732 and selecting option 5 to request a list by mail.

D. Item Preparation Instructions

Item 1. Check the box if this report amends (adds missing data) or corrects errors in the prior report. (See Part VI, item "s").

Item 1a-- Check this box if this is a recurring report filed on continuing activity.

Part I Subject Information

Item 2 Multiple subjects. Check this box if multiple subjects are involved. Attach Part I Subject continuation pages behind page 1 to account for all additional subjects involved in the suspicious activity.

Item 3 Subject type. Check box "a" if the subject purchased a money order(s) or traveler's check(s) or sent a money transfer(s). Check box "b" if the subject cashed a money order(s) or traveler's check(s) or received payment of a money transfer(s). Check box "c" if both "a" and "b" apply. If the transaction is a currency exchange check box "c." Check box "z" Other and describe in Part VI if the subject is an individual other than a customer. Examples are MSB employees and agents.

Items 4, 5, and 6 *Name of subject. See General Instruction 11. Enter the name of the subject individual in Items 4 through 6. If the MSB knows that the individual has an "also known as" (AKA) or "doing business as" (DBA) name, enter that name in Part VI. If the subject is an entity, enter the legal name in Item 4 and the trade or DBA name in item 5. If the legal name is not known, enter the DBA name in Item 4. If there is more than one subject, use as many Part I Subject Information continuation pages as necessary to provide the information about each subject. Attach the additional copies behind page 1. When there is more than one purchaser and/or payee (e.g., two or more transactions), indicate in Part VI whether each subject is a purchaser or payee and identify the instrument or money transfer information associated with each subject. If part of an individual's name is unknown, enter "XX" in the appropriate name item. If the subject is an entity, enter "XX" in Item 5 (if the trade or legal name is not known) and in Item 6.

Items 7 - 11 *Permanent address. See General Instructions 13 and 15. Enter "XX" if the street address, city, and ZIP Code items are unknown or not applicable. Enter "XX" if the state or country is not known.

Item 12 *Government issued identification (if available). See General Instruction 12. Check the box showing the type of document used to verify subject identity. If you check box "z" Other, be sure to specify the type of document used. In box "e" list the number of the identifying document. In box "f" list the issuing state or country. If more space is required, enter the additional information in Part VI. If the subject is an entity or an individual's identification was not available, check box "z" and enter "XX" in "Other."

Item 13 *SSN/ITIN (individual) or EIN (entity). See General Instruction 12 and definitions. If the subject named in Items 4 through 6 is a U.S. Citizen or an alien with a SSN, enter his or her SSN in Item 13. If that person is an alien who has an ITIN, enter that number. For an entity, enter the EIN. If the SSN, ITIN, or EIN was unknown or not applicable, enter "XX" in this item.

Item 14 *Date of birth. See General Instruction 9. If the subject is an individual, 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). If entire date is unknown, or if an entity, enter XX in the MM part of the date field.

Item 15 Telephone number. See General Instruction 10. Enter the U.S. home or business number for individual or entity. List foreign telephone numbers and any additional U.S. numbers (e.g., hotel, etc.) in Part VI.

Part II Suspicious Activity Information

Item 16 *Date or date range of suspicious activity. See General Instruction 9. Enter the date of the reported suspicious activity in the "From" field. If more than one day is involved, indicate the duration of the activity by entering the first date in the "From" field and the last date in the "To" field.

Item 17 *Total dollar amount. See General Instruction 14. **If unknown, check box 17a.** If the suspicious activity only involved purchases, or redemptions, or currency exchanges, enter the total U.S. Dollar value involved in the reported activity. For instance, if multiple money orders from more than one issuer were redeemed, enter the total of all money orders redeemed. If multiple activities are involved, such as a redemption of money orders combined with purchase of a money transfer, enter the largest activity amount in Item 17. For instance, if the transaction involved redeeming \$5,000 in money orders and purchase of a \$3,500 money transfer, the Item 17 amount would be \$5,000.

Item 18 *Category of suspicious activity. Check the box(es) which best identifies the suspicious activity. Check box "b Structuring" when it appears that a person (acting alone, in conjunction with, or on behalf of other persons) conducts or attempts to conduct activity designed to evade any record keeping or reporting requirement of the Bank Secrecy Act. If box "z" is checked, specify the type of suspicious activity which occurred. Describe the character of such activity in Part VI. Box "z" should only be used if no other type of suspicious activity box adequately categorizes the transaction.

Item 19 *Financial services involved. Check any of boxes "a" through "e" that apply to identify the services involved in the suspicious activity. If box "z" is checked, briefly explain the service on the following line. If "unusual use" is involved, check the appropriate service box(s) and box "z" and note "unusual use" and explain in Part VI. Check all of boxes "1" through "10" that apply to describe the character of the suspicious activity.

Item 20 *Purchases and redemptions (See definition 6 on page 1 of the instructions). Enter information about purchases or redemptions of money orders, traveler's checks, or money transfers. Check the appropriate box in column

"P" or "R" to identify the entry as a purchase or redemption. Enter the name of the issuers, the total number of instruments purchased or redeemed, and the total amount of the instruments. You can enter up to three issuers in each instrument category. If more than three issuers are involved, enter the information on the additional issuers in Part VI.

Item 21 *Currency Exchanges. Record up to two currency exchanges made by the subject(s). Check the box "If bulk small currency" if a large number of small bills was used to pay for the currency exchange. Enter the name of the currency or type of monetary instrument used to pay for the exchange, and the two-letter code for the country that issued the currency. An example of this would be "Pesos" for the name of the currency and "MX" representing Mexico as issuer of the currency. Enter the name of the currency received in exchange and the two-digit code for the country that issued the currency. Enter the value of the exchange in U.S. Dollars. If there were more than two currency exchanges, enter the information about the additional exchanges in Part VI.

Part III Transaction Location Information

Item 22 Multiple selling and/or paying business locations. Check the box if the reported activity occurred at multiple selling and/or paying business locations. Fill out as many Part III Transaction Location Information sections as necessary to record all locations. Attach the additional sections behind page 2 of the SAR-MSB.

Item 23 Type of business location(s). Check box "a" if this is the selling location where the customer purchases a money order(s) or traveler's check(s), or initiated a money transfer(s), or exchanged currency. Check box "b" if this is the paying location where the customer cashed a money order(s) or traveler's check(s) or received payment of a money transfer(s). Check box "c" if multiple transactions are reported and the business was both a selling and paying location for one or more transactions.

Item 24 *Legal name of business. Enter the legal name of the business where the transactions took place.

Item 25 Doing business as. Enter the trade name by which the business is commonly known.

Items 26-29, 32 *Transaction location address. Enter the transaction location address by following General Instructions 13 and 15.

Item 30 *EIN (entity) or SSN/ITIN (individual). See General Instruction 12 and

definitions. If the business identified in Item 24 has an EIN, enter that number in Item 30. If not, enter individual owner's SSN or ITIN.

Item 31 *Business telephone number. See General Instruction 10. Enter the telephone number of the business listed in Item 24.

Item 32 Country code. Enter the 2-letter country code if not US.

Item 33 Internal control/file number (If available). 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.

Part IV Reporting Business Information

Item 34 Check this box and go to Part V if the reporting business is the same as the Part III Transaction Location. If the reporting business is different, complete Part IV. **If item 34 is checked, leave items 35 through 44 blank.**

Item 35 *Legal name of business. Enter the legal name of the reporting business.

Item 36 Doing business as. Enter the trade name by which the reporting business is commonly known (if other than the legal name).

Items 37-40, 43 *Reporting business address. Enter the reporting business address by following General Instructions 13 and 15.

Item 40 *EIN (entity) or SSN/ITIN (individual). See General Instruction 12 and definitions. If the business identified in Item 35 has an EIN, enter that number in Item 41. If not, enter individual owner's SSN or ITIN.

Item 42 *Business phone number. Enter the telephone number of the reporting business. If the reporting business telephone number is a foreign telephone number, leave Item 44 blank and enter the number in the Part VI Narrative. See General Instruction 10.

Item 43 Country code. Enter the 2-letter country code if not US.

Item 44 Internal control/file number (If available). 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.

Part V Contact for Assistance

Item *45-- 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 *46--Phone number. See General Instruction B10. Enter the work telephone number of the contact office.

Item *47--Date filed. See General Instruction B9. 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 48--Agency. If this report is filed by an agency other than an MSB, such as a federal or state examiner, enter the name of the reporting agency in Item 48.

Part VI Suspicious Activity Information -- Narrative*

Enter a narrative describing all aspects of the suspicious activity not covered by form data items. See page 3 of the form for instructions on completing the narrative. If the initial Part VI narrative page is not sufficient, continue on plain bond paper and attach the additional pages after the initial narrative page. **Do not include charts or tables. Legal disclaimers will not be included in this narrative.**

Paperwork Reduction Act Notice

The purpose of this form is to provide an effective means for a money services business (MSB) to notify appropriate law enforcement agencies of suspicious transactions and activities that occur by, through, or at an MSB. This report is authorized 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, State law enforcement agencies, the U.S. Departments of Justice and Treasury, and other authorized authorities may use and share this information. Public reporting and record keeping burden for this form is estimated to average 60 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 the 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.