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Criminal Reporting For National Banks Streamlined

WASHINGTON, DC -- The Office of the Comptroller of the Currency (OCC) published a final rule in today's Federal Register that reduces unnecessary regulatory burden on national banks by simplifying the process by which national banks report suspected crimes and suspicious financial transactions. The rule is part of an interagency effort to consolidate reporting requirements. The same rule will be issued by the U.S. Department of Treasury's Financial Crimes Enforcement Network (FinCEN), the Board of Governors of the Federal Reserve System, the Office of Thrift Supervision, and the Federal Deposit Insurance Corporation.

Today's final rule to revise part 21 of the OCC regulations raises mandatory reporting dollar thresholds, thereby reducing the number of reports that financial institutions must file. The threshold for reporting suspected crimes is raised to \$5,000 from \$1,000 when a bank has identified a suspect who is not a bank insider. When a bank has not identified a suspect, the threshold is raised to \$25,000 from \$5,000. If the suspect is a bank insider, filing continues to be required regardless of the dollar amount.

The final rule adds a \$5,000 reporting threshold when a national bank suspects a transaction involves money laundering or a violation of the Bank Secrecy Act. This replaces a provision in the proposed rule that would have required a transaction be reported if it was deemed suspicious for any reason.

The final rule also:

- Reduces the number of copies of each filing that must be submitted by requiring financial institutions to send a single copy of each report to one place, the Financial Crimes Enforcement Network (FinCEN), Department of the Treasury. At present, institutions have to submit copies to several different agencies.

- Clarifies the procedures for filing reports by implementing a new, consolidated interagency report form, the Suspicious Activity Report (SAR), that melds and replaces all other criminal referral and suspicious financial transaction reports.

- Eliminates the need to file supporting documentation with a criminal referral.

- Reduces the period for which banks must retain the documentation supporting an SAR from ten years to five.

- Adds a safe harbor provision reflecting the OCC's opinion that the Bank Secrecy Act protects banks from liability

under the Right to Financial Privacy Act and state statutes when they file SARs with law enforcement agencies.

Permits banks to maintain as supporting documents to an SAR business record equivalents rather than original documents, a provision that permits electronic storage of original documentation.

The new rule will also simplify the process of filing reports. The SAR requires less information than its predecessor forms and can be completed on paper or by computer using software provided by the supervisory agencies. Each SAR will be entered into a newly created computer database that is expected to enhance law enforcement and supervisory agencies' ability to track, investigate, and prosecute suspected violations of federal criminal laws.

Related Link

- [12CFR21](#)

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The OCC charters, regulates and examines approximately 3,000 national banks and 70 federal branches and agencies of foreign banks in the U.S., accounting for more than half the nation's banking assets. Its mission is to ensure the safety and soundness of the national banking system.