



# Department of the Treasury Financial Crimes Enforcement Network

## Guidance

### **FIN-2011-G002**

**Issued: April 12, 2011**

**Subject: Preparation Guidelines for completing the March 2011 version of FinCEN Form 101, Suspicious Activity Report by the Securities and Futures Industries.**

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The Financial Crimes Enforcement Network ("FinCEN") is issuing these guidelines to assist the Securities and Futures Industry in correctly completing FinCEN Form 101, Suspicious Activity Report by the Securities and Futures Industries ("SAR-SF"). On October 10, 2007, FinCEN issued guidance titled, "*Suggestions for Addressing Common Errors Noted in Suspicious Activity Reporting*,"<sup>1</sup> which highlighted the importance of filing complete and accurate SARs, especially with regard to those fields designated as critical fields. Subsequently, FinCEN updated the instructions to the SAR-SF on March 31, 2009 to reflect the importance of proper completion of critical fields. Form instructions were modified to require use of the special response "XX" in critical fields instead of "None," "Not Applicable," or "Unknown." These new instructions supersede previous form instructions and FinCEN guidance on use of special responses in the SAR-SF.<sup>2</sup> FinCEN no longer permits use of "None," "Not Applicable," and "Unknown" in SAR-SF critical fields.

FinCEN strongly encourages financial institutions to sign up and utilize BSA E-filing. E-filing will eliminate most of the errors noted below because preparers must enter the required data or a special response in critical fields. An overview of the benefits of using the BSA E-Filing System can be found in the [E-Filing Brochure](#). Information on signing up for E-filing can be found at the [BSA E-Filing Home Page](#) or by calling 1-866-346-9478 (option 1).

### **Critical Fields:**

The SAR-SF designates certain fields as critical by including an asterisk (\*) in the item or section title. The information contained in critical item fields is of significant value to law enforcement investigations and statistical analysis of suspicious activity reports. When a filer does not have the information, or the information is not applicable for a critical field, general instruction 3 under "How to make a report" requires the filer to enter "XX" in the fields. The

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<sup>1</sup> *Suggestions for Addressing Common Errors Noted in Suspicious Activity Reporting* (October 10, 2007) is located at [http://www.fincen.gov/statutes\\_regs/guidance/pdf/SAR\\_Common\\_Errors\\_Web\\_Posting.pdf](http://www.fincen.gov/statutes_regs/guidance/pdf/SAR_Common_Errors_Web_Posting.pdf).

<sup>2</sup> The current SAR-SF instructions with a revision date of 03/31/09 supersede the instructions with a revision date of 05/22/04. The revision date is found on the lower right-hand corner of the first page of instructions. The current SAR-SF instructions also supersede guidance on using special responses found in *The SAR Activity Review, Trends, Tips & Issues*, Issue 6, November 2003, p. 51.

special response "XX" demonstrates to law enforcement and analysts that the information is unknown or not applicable, and was not inadvertently omitted by the filer.

### **Current Filer Errors:**

A FinCEN review of all 2009 SAR-SF filings found that many filers did not follow form instructions or applied the instructions in an incorrect manner. There were numerous blank critical fields that failed to contain "XX," while other fields contained "XX" when they should have been blank. Some critical fields had three or more Xs instead of the two Xs required by the instructions. Other fields contained prohibited special responses such as "N/A," "UNK," and all zeros.<sup>3</sup> Some fields contained the superseded special responses "None," "Not Applicable," and "Unknown" when they should have contained "XX." The most frequent errors seen in these filings occurred in the following areas:

- **Item 17 "Government issued identification..."** Fifty-three percent of filings had Item 17 entries that failed to contain either the required identification data or the required special responses.
- **Item 4 "First name"** Twenty-two percent of filings had Item 4 entries that failed to contain an individual's first name or the special response "XX."
- **Item 15 "Account number(s) affected, if any"** Twenty-one percent of filings had Item 15 entries that failed to contain an account number or the special response "XX" in the first account number field.
- **Item 14 "SSN/ITIN (individual), or EIN (entity)"** Nineteen percent of filings had Item 14 entries that failed to contain the required data or special response, or contained an incomplete number.
- **Item 10 "State"** Fifteen percent of filings had Item 10 entries that failed to contain a valid state code or the special response "XX."
- **Item 11 "ZIP code"** Fourteen percent of filings had Item 11 entries that failed to contain a U.S. ZIP code, foreign postal code, or special response "XX."

### **Using XX:**

The special response "XX" is permitted in some, but not all, of the SAR-SF critical fields. For example, "XX" is the required entry in item 4 "First name" when the information is unknown or does not apply; however, it would never be appropriate to enter "XX" in item 36 "Name of financial institution or sole proprietorship."<sup>4</sup> The following detailed guidelines explain how to

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<sup>3</sup> FinCEN guidance prohibits abbreviation of special responses. See "General Tips for Using These Types of Responses in SARs," *The SAR Activity Review, Trends, Tips & Issues*, Issue 6, November 2003, p. 52.

<sup>4</sup> Form general instruction 3 prohibits "XX" in the "From" field in item 21 "Date or date range of suspicious activity," the check boxes in item 30 "Type of suspicious activity," and in the critical fields found in Parts IV

apply “XX” to those critical items that require “XX” when the information is unknown or does not apply.<sup>5</sup>

- **Item \*3 “Individual’s last name or entity’s full name.”** Enter “XX” when the individual’s last name or the organization’s name is unknown.
- **Item \*4 “First name.”** Enter “XX” when an individual’s first name is unknown, when the organization’s name is unknown, or when an organization name has been entered in item 3.
- **Item \*8 “Address.”** Enter “XX” when the entire street address is unknown. DO NOT enter “XX” in place of missing elements when a partial street address has been entered.
- **Item \*9 “City.”** Enter “XX” when the address city is unknown.
- **Item \*10 “State.”** Enter “XX” when the address state is unknown. Enter “XX” if the state does not apply because the address country is not the U.S., Canada, or Mexico.
- **Item \*11 “ZIP Code.”** Enter “XX” if the U.S. ZIP code or foreign postal code is unknown.
- **Item \*12 “Country code (if not U.S.).”** Enter “XX” when the address country is unknown.
- **Item \*14 “SSN/ITIN (individual), or EIN (entity).”** Enter “XX” when the Social Security Number (SSN), Individual Taxpayer Identification Number (ITIN), or Employer Identification Number (EIN) is unknown. Enter “XX” if the individual is a foreign individual who does not have an SSN or ITIN, or the entity is a foreign entity that does not have an EIN. If a partial number is known, enter “XX” in Item 14 and record the partial number in the narrative.
- **Item \*15 “Account number(s) affected, if any.”** If no account number is involved in the suspicious activity, enter “XX” in the first account number field only.
- **Item \*17 “Government issued identification.”**
  - If no identification information is available, check box “17e Other” and enter “XX” in the “17e Other” text field. DO NOT enter “XX” in the “17f ID number” and “17g Issuing state or country” fields. Leave 17f and 17g blank.

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through VI. “XX” is also prohibited in all non-critical fields (fields without an asterisk) and in Part I Subject Information critical fields when item 2 box b “subject information unavailable” is checked.

<sup>5</sup> If no subject information is available, filers are required to check item 2 box b “subject information unavailable” and leave the Part I Subject Information items blank. Filers must not enter “XX” in any of these items when item 2 box b is checked.

- If the type of identification is not known and other ID data is known, check box “17e Other” and enter “XX” in the “17e Other” text field. Enter the known ID data in the appropriate fields.
- If the ID number is not known and other ID data is known, enter “XX” in “17f.” Enter the known ID data in the appropriate fields.
- If the issuing state or country is not known and other ID data is known, enter “XX” in “17g.” Enter the known ID data in the appropriate fields.
- **Item \*22 “Total dollar amount involved in suspicious activity.”** If the dollar amount is unknown or no dollar amount was involved in the suspicious activity, enter a single zero (0) in Item 22.<sup>6</sup>

This guidance should not be applied to other FinCEN forms unless stated explicitly in those forms' instructions or other FinCEN guidance. Questions or comments regarding the contents of this guidance should be addressed to the FinCEN Regulatory Helpline at 800-949-2732.

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<sup>6</sup> Form instructions require filers to enter “XX” in the dollar amount field. However, required database changes have not been completed to accept “XX,” so filers should enter a single zero in this field until further notice.