



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D.C. 20551

DIVISION OF BANKING
SUPERVISION AND REGULATION

SR 10-8

April 27, 2010

**TO THE OFFICER IN CHARGE OF SUPERVISION AND APPROPRIATE
SUPERVISORY AND EXAMINATION STAFF AT EACH FEDERAL RESERVE
BANK AND EACH DOMESTIC AND FOREIGN BANKING ORGANIZATION
SUPERVISED BY THE FEDERAL RESERVE**

**SUBJECT: Suspicious Activity Report Filing Requirements for Banking Organizations
Supervised by the Federal Reserve**

This letter replaces SR letter 02-24, "Suspicious Activity Report Filing Requirements for Nonbank Subsidiaries of Bank Holding Companies and State Member Banks," and provides clarification on compliance with suspicious activity reporting requirements of the Board.

Pursuant to Regulations H, K, and Y of the Board, state member banks, Edge and agreement corporations, U.S. offices of foreign banking organizations supervised by the Federal Reserve, and bank holding companies and their nonbank subsidiaries must file Suspicious Activity Reports (SARs) on the form designated by the Board to report known or suspected violations of U.S. law.¹ In addition, the U.S. Department of the Treasury (Treasury) has issued rules under the Bank Secrecy Act (BSA) imposing suspicious activity reporting requirements on a variety of financial institutions, including securities broker-dealers, money services businesses, and insurance companies.² In some instances, bank holding companies or their nonbank subsidiaries could be subject to two separate suspicious activity reporting requirements.

Financial institutions required to file SARs pursuant to Regulation Y and BSA

As previously stated in SR 02-24, if a bank holding company or its nonbank subsidiary files a SAR in accordance with the applicable industry-specific Treasury regulation, the filing entity will be deemed to be in compliance with the Board's regulations. The filer should continue to select the form that would comply with the applicable Treasury regulation. A filing

¹ 12 CFR 208.62; 12 CFR 211.5(k); 12 CFR 211.24(f); 12 CFR 225.4(f). As appropriate, the same principles described in this letter would apply to a U.S. office of a foreign banking organization supervised by the Federal Reserve and to an Edge or agreement corporation.

² 31 USC 5318(g); 31 CFR 103.15-103.21.

institution that prefers to file an alternative industry-specific form is reminded to consult with the Financial Crimes Enforcement Network (FinCEN) prior to filing to determine whether such alternate form may be utilized.

Financial institutions required to file SARs pursuant to Regulation Y

Bank holding companies and their nonbank subsidiaries that are not subject to a separately applicable suspicious activity reporting rule under the BSA must continue to file SARs in accordance with Regulation Y. However, to comply with this requirement, a filing institution may utilize the currently effective SAR form for the type of financial institution that engages in similar activities. For example, a filer under Regulation Y may choose to file on a SAR by Depository Institution (TD F 90-22.47); SAR by Securities and Futures Industries (FinCEN 101); or SAR by Money Services Business (FinCEN 109). Any such currently effective form will be deemed to be a form “designated by the Board” for purposes of 12 CFR 208.62.

Financial institutions required to file SARs pursuant to Regulation H and BSA

In rare instances, a state member bank may engage in activities that are similar to those engaged in by a securities broker or dealer, where suspicious activity would be more appropriately reported on the SAR by Securities and Futures Industries (FinCEN 101). In such a case, the state member bank may submit a written request to the responsible Reserve Bank requesting permission to use Form FinCEN 101 instead of the SAR by Depository Institution. In addition to receiving approval from the responsible Reserve Bank, a filing institution that prefers to file an alternative industry-specific form is reminded to consult with FinCEN prior to filing to determine whether such alternate form may be utilized.

Reserve Banks are asked to distribute this SR letter to the domestic and foreign banking organizations in their districts that they supervise, as well as to supervisory staff. Questions about this guidance should be directed to Dawn Adams, Senior Special BSA/AML Examiner, Division of Banking Supervision and Regulation, at (202) 452-3964; or Benjamin W. McDonough, Counsel, Legal Division, at 202-452-2036.

Patrick M. Parkinson
Director

Supersedes:

- SR letter 02-24, “Suspicious Activity Report Filing Requirements for Nonbank Subsidiaries of Bank Holding Companies and State Member Banks”