



Federal Deposit Insurance Corporation
550 17th Street NW, Washington, DC 20429-9990

Financial Institution Letter

FIL-54-2007

June 26, 2007

Bank Secrecy Act

Suspicious Activity Report Supporting Documentation

Summary: The Financial Crimes Enforcement Network (FinCEN) has issued guidance reminding financial institutions to provide all documentation supporting the filing of a Suspicious Activity Report (SAR) upon request by FinCEN, appropriate law enforcement or a supervisory agency.

Distribution:

FDIC-Supervised Banks (Commercial and Savings)

Suggested Routing:

Chief Executive Officer
BSA Compliance Officer

Related Topics:

Bank Secrecy Act/Anti-Money Laundering
Programs

Attachment:

None

Contact:

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Note:

FDIC financial institution letters (FILs) may be accessed from the FDIC's Web site
at: <http://www.fdic.gov/news/news/2007/index.htm>.

To receive FILs electronically, please
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Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 3501 Fairfax Drive, Room E-1002, Arlington, VA 22226 (1-877-275-3342 or 703-562-2200).

Highlights:

- On June 13, 2007, FinCEN issued guidance clarifying the Bank Secrecy Act (BSA) requirement to provide supporting documentation to law enforcement or supervisory agencies, the description of supporting documentation, and the legal process for the disclosure of supporting documentation. The guidance can be found at http://fincen.gov/Supporting_Documentation_Guidance.html.
- Financial institutions should take special care to verify that a requestor of information is, in fact, a representative of FinCEN, appropriate law enforcement or a supervisory agency. A financial institution should incorporate verification procedures into its BSA/anti-money laundering (AML) Compliance Program.
- Supporting documentation includes all documents or records that a financial institution used in making the determination that certain activity required a SAR filing.
- The manner in which a financial institution maintains supporting documentation can be defined by the institution and should be incorporated into its BSA/AML Compliance Program written procedures.
- The Right to Financial Privacy Act generally prohibits financial institutions from disclosing a customer's financial records to a government agency without service of legal process, notice to the customer and an opportunity to challenge the disclosure. However, no such requirement applies when the financial institution provides the financial records or information to FinCEN or a supervisory agency in the exercise of its "supervisory, regulatory or monetary functions."