

Appendix A

Additional Specific Suggestions

During the Committee's consideration of how to improve the BSA regime, it conducted meetings and discussions with a variety of people with insight and experience in the BSA process, including from the banking industry, the legislative branch, law enforcement agencies, the bank regulatory agencies and the public. They provided numerous suggestions about how to improve the BSA system, many of which are reflected thematically in the main body of the report. However, there are additional suggestions that the Committee believes may be considered as contributing to the New Framework for Partnership. Accordingly, this Appendix seeks to identify those suggestions that are in addition to those put forth in the main report.

As the ABA develops and implements its advocacy plan to support the report's recommendations, it will draw from these suggestions and will encourage others. The ABA will work with all BSA stakeholders to evaluate these ideas and to develop additional improvements.

These additional suggestions include:

- Expand government's role as central repository and clearing house for common BSA related risk information and leverage Internet communication methods to disseminate such information rather than expect individual financial institutions to independently (and redundantly) research and identify the information. Agency sources throughout the government could be mobilized and coordinated by the BSA Administrator/Gatekeeper to provide a single site for specific types of information. This could take the form of various lists or databases covering:
 - PEPS (politically exposed persons) based on State Department sources;
 - Publicly listed companies for Phase I CTR exemption and any change in status thereof based on SEC and SRO sources;
 - MSBs (money service businesses) based on FinCEN registration and State licensing sources; and
 - Certified foreign correspondent financial institutions.
- Study the possibility of increasing reporting thresholds for SARs.
- Remove barriers to SAR sharing within financial enterprise provided that it is conducted as part of a comprehensive BSA/AML compliance program and appropriate information security controls are observed.
- Consider expanding the scope of 314(a) and 314(b) to cover serious financial criminal activity beyond money laundering or terrorist financing.
- Recognize the significant limits of current monitoring technology, reduce supervisory emphasis on reliance on such systems and respect institution judgment in managing technological outputs.
- Foster agency/industry exchanges and training on sources and methods for conducting transaction monitoring especially in circumstances beyond traditional banking activities such as trade finance and securities brokerage.
- Promote access to BSA Administrator/Gatekeeper staff during the course of exams and record on the exam record any specific guidance obtained from such contact regarding any BSA related matter in dispute during the examination.

- Implement simplifying changes to the CTR process:
 - Eliminate the 12 month waiting period under 31 CFR § 103.22(d)(2)(vi)(A).
 - Eliminate the initial filing requirement under 31 CFR § 103.22(d)(3).
 - Eliminate the biennial filing requirement under 31 CFR § 103.22(d)(5).
 - Reduce the burden requirements in conducting an annual review and verification of exempt customers under 31 CFR § 103.22(d)(4).