

October 30, 2015

FinCEN
P. O. Box 39
Vienna, VA 22183

Re: Anti-Money Laundering Program and Suspicious Activity Report Filing Requirements For Registered Investment Advisers, RIN 1506-AB10

Dear Sir or Madam:

The American Bankers Association (ABA)¹ appreciates the opportunity to comment on the FinCEN proposal to define certain registered investment advisers (advisers) as financial institutions. By defining advisers as financial institutions, they would be subject to the same anti-money laundering (AML) programs that apply to other financial institutions under the Bank Secrecy Act (BSA).

As proposed, advisers would be required to develop appropriate AML programs and establish appropriate monitoring systems in order to report suspicious activities. The proposal also would require advisers to file currency transactions reports (CTRs) instead of IRS Form 8300 to report large cash transactions and would subject advisers to certain recordkeeping requirements that apply to other financial institutions.

The rule would cover those advisers who are registered or required to be registered with the Securities and Exchange Commission (SEC).

ABA agrees that this is an appropriate step. Including these advisers as financial institutions helps ensure consistent application of AML requirements and mandates. Equally important, this helps close a gap that FinCEN attempted to address more than ten years ago.

When final, the proposal will help eliminate confusion by applying the same AML requirements to all investment advisers, regardless of their employer. At the same time, the proposal will let financial institutions use the provisions of section 314(b) of the USA PATRIOT Act to share information with these advisers. The proposal also will let financial institutions and advisers file joint Suspicious Activity Reports (SARs) when transactions involving mutual customers have been identified as suspicious. And, the change will permit financial institutions to rely on customer identification program (CIP) steps taken by advisers.

¹ The American Bankers Association is the voice of the nation's \$15 trillion banking industry, which is composed of small, regional and large banks that together employ more than 2 million people, safeguard \$12 trillion in deposits and extend more than \$8 trillion in loans.

Since many of these advisers are small businesses or even sole proprietors, ABA encourages FinCEN to emphasize that the AML programs these advisers are expected to adopt should be commensurate with their size, customer base and business operations, in keeping with the expectations of the risk-based approach.

Sincerely,

A handwritten signature in black ink, reading "Robert G. Rowe, III". The signature is written in a cursive style with a horizontal flourish at the end.

Robert G. Rowe, III
Vice President & Associate Chief Counsel, Regulatory Compliance