

The Clearing House Provides Recommendations to FinCEN Aimed at Improving AML Compliance and Deterring Financial Crimes

Requests Changes on SAR Sharing Restrictions

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New York, NY – March 16, 2015 – Late last Friday, The Clearing House Association (TCH) submitted a [letter](#) to the Financial Crimes Enforcement Network (FinCEN) calling on FinCEN to remove current limitations and restrictions on banks’ ability to share Suspicious Activity Reports (“SAR”) within their global organizations in order to strengthen banks’ ability to conduct enterprise-wide anti-money laundering (AML) and counter-terrorist financing compliance activities. The letter is part of an effort by TCH to advocate for policies that increase the efficiency and effectiveness of the U.S. banking industry’s ability to detect and prevent financial crime.

“It is crucial that each bank have the ability to share suspicious activity reports and other AML-related information across its global organization to strengthen its ability to detect and prevent financial crimes,” said Paul Saltzman, President of The Clearing House Association. “We believe it’s important that FinCEN act swiftly to remove existing regulatory impediments to doing so.”

Specifically, TCH’s letter raises concerns regarding existing restrictions on SAR sharing between depository institutions in the United States and their foreign branches and affiliates. While the restrictions on SAR sharing were originally designed to further the important public policy goal of ensuring the confidentiality of SARs, these restrictions can impede the ability of globally-active banks to conduct effective and efficient AML risk management, risk assessment and activity monitoring on an enterprise-wide basis. To address these concerns, the letter requests that FinCEN allow U.S. banks to share SARs with a foreign branch or affiliate, so long as that branch or affiliate is located in a country that is a member of the Financial Action Task Force (“FATF”) or has entered into a written confidentiality agreement or arrangement with the U.S. bank. Additionally, the TCH letter seeks reaffirmation from FinCEN that U.S. banks can share the underlying facts, transactions, and documents upon which a SAR is based as such information does not fall under the general prohibition against sharing a SAR or information that may reveal the existence of a SAR.

About The Clearing House Established in 1853, The Clearing House is the oldest banking association and payments company in the United States. It is owned by the world's largest commercial banks, which collectively hold more than half of all U.S. deposits and which employ over one million people in the United States, and more than two million people worldwide. The Clearing House Association L.L.C. is a nonpartisan advocacy organization that represents the interests of its owner banks by promoting and developing policies to support a safe, sound and competitive banking system that serves customers and communities. Its affiliate, The Clearing House Payments Company L.L.C., which is regulated as a systemically important financial market utility, owns and operates payments technology infrastructure that provides safe and efficient payment, clearing and settlement services to financial institutions, and leads innovation and thought leadership activities for the next generation of payments. It clears almost \$2 trillion each day, representing nearly half of all automated clearing-house, funds transfer and check-image payments made in the United States. See The Clearing House's web page at www.theclearinghouse.org.