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MEMORANDUM

March 5, 2012

To Our Clients and Friends

Re: FinCEN Requires Electronic Filing of BSA Reports

In support of the Treasury Department's paperless initiative and efforts to make government operations more efficient, the Financial Crimes Enforcement Network (FinCEN) is requiring all financial institutions subject to Bank Secrecy Act (BSA) reporting to use electronic filing for certain reports beginning July 1, 2012.¹ The effective date for electronic filing of the new forms for Currency Transaction Reports (CTRs) and Suspicious Activity Reports (SARs), however, is delayed until March 31, 2013.

All filings (batch, computer-to computer, and discrete) are to be initiated through the BSA E-Filing System using updated registration and log-in procedures. While FinCEN notes that as of December 31, 2011, over 86 per cent of BSA reports were filed electronically, it recognizes that mandating electronic filing may present a challenge for some of the remaining financial institutions. Accordingly, FinCEN indicated that for those institutions that are unable to meet the proposed electronic filing target date, FinCEN will consider, based upon certain very limited hardship exceptions, specific requests to extend the time to electronically file the most current paper forms for up to a year past the mandatory electronic filing date.

A copy of FinCEN's notice can be found at our website at <http://www.schwartzandballen.com/news.html>

If you have any questions, please call Gilbert Schwartz, Robert Ballen, Tom Fox, Heidi Wicker or Lauren Bianchini at (202) 776-0700.

¹ Electronic filing will not be required for the International Transportation of Currency or Monetary Instrument Report (CMIR) or for the Report of Cash Payments Over \$10,000 Received in a Trade or Business (Form 8300).