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MEMORANDUM

December 23, 2020

To Our Clients and Friends

Re: OCC and FDIC Propose Rules to Modify Suspicious Activity Report Requirements

The Comptroller of the Currency and the Federal Deposit Insurance Corporation have proposed rules that would amend their Suspicious Activity Report regulations to allow the agencies, in conjunction with FinCEN, to issue exemptions from SAR filing requirements to institutions that develop innovative solutions to meet Bank Secrecy Act requirements more efficiently. Comments are due within 30 days after the proposal is published in the *Federal Register*.

The proposed rules provide the following:

- The OCC and FDIC may exempt institutions from SAR filing requirements upon receipt of a written request for an exemption
- The OCC and FDIC will provide a written response to an exemption request
- The OCC and FDIC may revoke an exemption or extend the period of time for which an exemption applies

If an exemption is granted, it will apply only as expressly stated in the exemption. The exemption may be conditional or unconditional and it may apply to particular persons or to classes of persons or to transactions or classes of transactions. An institution that has received an exemption may rely on the exemption for a period of time communicated by the agency in its granting of the exemption, which may be indefinite. However, the agency may extend the time period or revoke an exemption at its discretion.

A copy of the agencies' final rule is available on our website at <http://schwartzandballen.com/news.html>.

For more information, please call Gilbert Schwartz, Robert Ballen, Heidi Wicker, or Victor Razon at (202) 776-0700.