

Frequently Asked Compliance Question

April 1, 2015

Question

When completing a SAR for a business entity, is it acceptable to document the names and Tax Identification Numbers of the business owners and/or signers within the narrative, or is it necessary to document the business owner and/or signer information in Part I (Subject Information) of the SAR and identify the business owner as a subject?

Short Answer

If it is indicative that the business owner(s) or signer(s) is engaging in the suspicious activity, then it is necessary to identify the business owner as a subject in Part I (Subject Information) of the SAR. To document the identifying information for the business owner in the narrative when the owner or signer is engaging in the suspicious activity is not enough. (click here for more a more detailed explanation)

Answer Details

The 2014 FFIEC BSA Examination Manual states that Institutions should include all known subject information on the SAR. Inaccurate information on the SAR may make further analysis difficult, if not impossible.

When you suspect or know that the subject is involved in suspicious activity

The FinCEN SAR Filing Instructions state that a Part I section should be completed on each known subject involved in the suspicious activity. The institutions must complete each SAR with as much information as possible. Although all items should be completed fully and accurately, items marked with an asterisk must be completed even when the information is unknown. This is done by selecting the "Unknown" box next to the applicable fields. Items not marked with an asterisk **must** be completed if the information is known.

When you cannot determine if the subject is involved in suspicious activity

The decision to include the owner or signer as a subject ultimately relies on how well the institution feels that it knows that the owner or signer is engaging in the suspicious activity. If the institution is unable to determine whether the business owner or signer is engaging in the suspicious activity, then the information may not be included in Part I. However, the institution should describe the nature of the situation and potential parties involved within the narrative. Regardless of the choice made, it must be clearly documented in the narrative why the owner or signer was or was not indicated as a subject in the SAR filing.

If you are interested in discussing your BSA Program or in need of a BSA audit, please contact Brian Shea, CRCM, Regulatory Compliance Manager, at 617-261-8133 or bshea@wolfandco.com, or Erica Torres, CRCM, Regulatory Compliance Manager, at 617-261-8121 or etorres@wolfandco.com.