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MEMORANDUM

December 7, 2010

To Our Clients and Friends

Re: OCC Rule Regarding Confidentiality of SARs

The Comptroller of the Currency (“OCC”) has issued a rule clarifying the scope of the confidentiality of Suspicious Activity Reports (“SARs”) and expanding the ability of national banks to share SAR information with affiliates. The OCC’s rule is parallel to the rule recently adopted by FinCEN.

Under the Bank Secrecy Act (“BSA”), a filer of a SAR is prohibited from informing any person involved in a suspicious transaction that the transaction has been reported. OCC rules also prohibit a national bank from disclosing the SAR itself or that a SAR has been filed.

The OCC has clarified that national banks may provide information supporting a SAR to the OCC, FinCEN, or any Federal, state or local law enforcement agency.

The OCC indicates that the prohibition on disclosure does not apply to:

- The disclosure of the underlying facts, transactions and documents upon which a SAR is based
- The sharing of a SAR or any information that would reveal the existence of a SAR with a domestic affiliate, provided that is subject to a SAR regulation

The rule is effective on January 3, 2011.

A copy of the OCC’s rule can be found on 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.