



February 22, 2021

VIA E-MAIL ONLY

Chief Counsel's Office
Attention: Comment Processing
Office of the Comptroller of the Currency
400 7th Street S.W., Suite 3E-218
Washington, D.C., 20219
Docket No: OCC-2020-0037
www.regulations.gov

RE: Proposed Exemptions to Suspicious Activity Requirements: Docket No: OCC-2020-0037

Dear Sirs and Madams,

The Wisconsin Bankers Association (WBA) is the largest financial trade association in Wisconsin, representing approximately 220 state and nationally chartered banks, savings and loan associations, and savings banks. WBA appreciates the opportunity to comment on the Office of the Comptroller of the Currency's (OCC's) proposed rule that would modify the requirements for national banks and federal savings associations to file Suspicious Activity Reports (SARs).

The proposed rule would amend OCC's SAR regulations to allow OCC to issue exemptions from the requirements of those regulations. The proposed rule makes it possible for OCC to grant relief to national banks or federal savings associations that develop innovative solutions intended to meet Bank Secrecy Act (BSA) requirements more efficiently and effectively. WBA appreciates the opportunity to comment on the proposal.

Discussion of the Proposed Rule

The proposed rule would add a provision to 12 CFR 21.11 and 12 CFR 163.180 that would provide that OCC may exempt a national bank or federal savings association from the requirements of those sections.

Under the proposed rule, a national bank requesting an exemption from the requirements of 12 CFR 21.11, including exemptions related to SAR filings solely required by paragraphs (c)(1) through (3), must submit a request in writing to OCC. In reviewing such requests, OCC would consider whether the exemption is consistent with safe and sound banking, and any other appropriate factors, such as any outstanding supervisory concerns related to BSA and anti-money laundering, including informal and formal enforcement actions.

OCC's SAR regulations contains some requirements that are not included in the Financial Crimes Enforcement Network's (FinCEN's) SAR regulation. For exemption requests involving OCC's additional SAR requirements, a national bank or federal savings association would only need to seek an exemption from OCC.

For exemption requests from the requirements of OCC's SAR regulations that would also require an exemption from FinCEN's SAR regulation, for example, exemption requests related to SAR filings required by 12 CFR 21.11(c)(4), or related to SAR timing requirements in 12 CFR 21.11(d), or related to SAR confidentiality in 12 CFR 21.11(k), a national bank would be required to seek an exemption from both OCC and FinCEN—requiring the national bank to submit a request in writing to both OCC and FinCEN for approval.

In determining whether to grant any exemption, OCC also may notify other federal banking agencies and consider their comments before granting any exemption. Exemptions may be conditional or unconditional, may apply to particular persons or to classes of persons, and may apply to transactions or classes of transactions. In addition, the proposed rule provides that OCC may grant an exemption for a specified time period, could revoke previously granted exemptions if circumstances change (e.g., consistency with the BSA and safety and soundness) or any imposed conditions.

WBA appreciates the efforts of OCC to create a process for OCC-supervised institutions to obtain an exemption from SAR filings as a result of industry innovations. We offer the following suggestions to the proposal:

- OCC need work together with the other prudential banking regulators and FinCEN to create one standard and one system for any institution to use when applying for an exemption. While technically the agencies have their own SAR regulations, the similarities greatly outweigh the one-off differences to justify separate application processes for each agency. A unified system for applications and agency determinations is necessary to create consistency for the industry regardless of charter.
- OCC need work together with the other prudential banking regulators and FinCEN to create a single-filing process whereby an OCC-supervised institution files solely with OCC and any need for a FinCEN approval involving the same application be obtained by OCC. The institution should not have to separately file with both OCC and FinCEN. A single-filing process will help make the process efficient and less burdensome overall.
- OCC need provide more information about the application itself, including what questions need be answered when applying, what factors OCC is to consider in its determination, and what supplemental information need be provided with the application. Knowing upfront what need be answered and supplied will help make the process efficient and limit denials due to incomplete information.
- OCC need provide a clear timeline for response to an application for exemption. WBA recommends a timeline not to exceed 45 days from the date of filing a completed application with OCC.
- OCC need create an appeal process so that an applicant may make changes and re-submit without having to completely re-apply for an exemption.



- OCC need publish exemption decisions, so the industry is aware of OCC's analysis and decision regarding a particular process or new technology.

Once again, WBA appreciates the opportunity to comment on OCC's proposal.

Respectfully,

A handwritten signature in black ink that reads "Rose Oswald Poels". The signature is written in a cursive, flowing style.

Rose Oswald Poels
President/CEO