

# BITS

FINANCIAL SERVICES  
ROUND TABLE

*Submitted electronically*

December 16, 2010

Financial Crimes Enforcement Network  
Department of the Treasury  
P.O. Box 39  
Vienna, VA 22183  
<http://www.regulations.gov/search/index.jsp>

Attention: Cross-Border Electronic Transmittals of Funds

BITS<sup>1</sup> appreciates the opportunity to comment on the Financial Crimes Enforcement Network's (FinCEN) notice of proposed rulemaking on cross-border electronic transmittal of funds. The financial services industry fully supports their obligation to assist in the detection of money laundering. In addition, we recognize the efforts by FinCEN to have reporting requirements for money transmitters, as they represent a key servicer for consumers to send funds internationally.

We understand the value of the data that FinCEN will be able to acquire with the elimination of the financial institution threshold for reporting. We appreciate FinCEN's recognition of the additional resources that will be required by filing institutions. We ask that FinCEN account for this in their creation of the final rule.

In addition, we have three specific comments in response to the request:

- **Money Transmitter Threshold<sup>2</sup>** We encourage FinCEN's inclusion of money transmitters in the reporting requirements as they are often used for international fund transfers and could be an additional method for money laundering or terrorist funding. We believe the reporting thresholds for money transmitters should be equivalent to financial institutions as individuals utilize their services for all sizes of fund transfers. In addition, as the reporting system is new for money transmitters, it can be developed to report all transactions.

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<sup>1</sup> BITS is the technology policy division of The Financial Services Roundtable, created to foster the growth and development of electronic financial services and e-commerce for the benefit of financial institutions and their customers. BITS focuses on strategic issues where industry cooperation serves the public good, such as critical infrastructure protection, fraud prevention, and the safety of financial services by leveraging intellectual capital to address emerging issues at the intersection of financial services, operations and technology. BITS' efforts involve representatives from throughout our member institutions, including CEOs, CIOs, CISOs, and fraud, compliance, and vendor management specialists. For more information, go to <http://www.bits.org/>.

<sup>2</sup> 75 Federal Register 60366, 60395 (September 30, 2010)

- **Frequency of Reports**<sup>3</sup> Given the additional resources that would be required for this rule, we encourage FinCEN to continue to accept weekly batch reporting. An increase in frequency of reporting would multiply financial institutions' resources needed for compliance.
- **Format Model**<sup>4</sup> We encourage FinCEN to utilize the Hybrid Reporting Model. This will allow for a centralized entity to provide the data and decrease the concern of duplicate reporting.

With the multitude of data that FinCEN currently receives along with the additional data resulting from this rulemaking, we encourage FinCEN to identify opportunities to streamline the submission and review process with the goal of providing timely reports on data trends to financial institutions. Sharing the data with the private sector will allow money laundering cases to be identified more quickly. Also, in developing this rule, we encourage FinCEN to evaluate additional methods of money laundering and develop the system to allow for incremental changes to adapt to the environment as it changes.

Thank you for your consideration of our comments. If you have any further questions or comments on this matter, please do not hesitate to contact me at 202-589-2440 or [Leigh@fsround.org](mailto:Leigh@fsround.org) or William Henley, BITS Senior Vice President for Regulation at 202-589-2402 or [William@fsround.org](mailto:William@fsround.org).

Sincerely,

A handwritten signature in black ink, appearing to read "Leigh Williams". The signature is fluid and cursive, with a long, sweeping tail on the final letter.

Leigh Williams  
President

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<sup>3</sup> 75 FR 60395

<sup>4</sup> 75 FR 60383