II

112TH CONGRESS
1ST SESSION

S. 1072

To provide for a good faith exemption from suspicious activity reporting requirements, and for other purposes.

IN THE SENATE OF THE UNITED STATES

MAY 25, 2011

Mr. PAUL introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

---

A BILL

To provide for a good faith exemption from suspicious activity reporting requirements, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SUSPICIOUS ACTIVITY REPORTS.

Section 5318(g) of title 31, United States Code, is amended—

(1) in paragraph (1), by inserting before the period at the end the following: ‘‘, except as provided in paragraph (5)’’; and

(2) by adding at the end the following:

‘‘(5) EXEMPTION.—

"(A) IN GENERAL.—A failure to submit a report with respect to a suspicious transaction shall not be a violation of this subsection with respect to a financial institution or any person described in paragraph (1), in any case in which such financial institution or person—

"(i) has in effect an established decision-making process with respect to suspicious transactions;

"(ii) has made a good faith effort to follow existing policies, procedures, and processes with respect to suspicious transactions; and

"(iii) has determined not to file a report with respect to a particular transaction.

"(B) EXCEPTION.—The exemption provided under subparagraph (A) does not apply in any case in which the failure to submit a suspicious transaction report is accompanied by evidence of bad faith on the part of the financial institution or other person described in paragraph (1).".

○