

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.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SUSPICIOUS ACTIVITY REPORTS.**

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

6 (1) in paragraph (1), by inserting before the pe-
7 riod at the end the following: “, except as provided
8 in paragraph (5)”;

9 (2) by adding at the end the following:

10 “(5) EXEMPTION.—

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

7 “(i) has in effect an established deci-
8 sion-making process with respect to sus-
9 picious transactions;

10 “(ii) has made a good faith effort to
11 follow existing policies, procedures, and
12 processes with respect to suspicious trans-
13 actions; and

14 “(iii) has determined not to file a re-
15 port with respect to a particular trans-
16 action.

17 “(B) EXCEPTION.—The exemption pro-
18 vided under subparagraph (A) does not apply in
19 any case in which the failure to submit a sus-
20 picious transaction report is accompanied by
21 evidence of bad faith on the part of the finan-
22 cial institution or other person described in
23 paragraph (1).”.

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