

FEDERAL RESERVE BANK OF SAN FRANCISCO  
101 MARKET STREET, SAN FRANCISCO, CALIFORNIA

May 26, 2004

**BANKING SUPERVISION AND REGULATION:  
SUSPICIOUS ACTIVITY REPORT  
AND STATUTORY PROTECTION**

To State Member Banks, Bank  
Holding Companies, U.S. Branches  
and Agencies of Foreign Banks,  
and Others Concerned,  
in the Twelfth Federal Reserve District

**Interagency Advisory Concerning the Legal Protections Associated with the Filing of Sus-  
picious Activity Reports (SR 04-8)**

Federal law provides protection from civil liability to financial institutions and their employees who report suspicious or potentially criminal activity to the appropriate law enforcement and bank supervisory authorities in Suspicious Activity Reports (SARs). A recent federal court case reaffirmed the scope of this statutory protection, which is generally referred to as a “safe harbor.” The enforcement staffs of the Federal Reserve Board and the other federal financial institutions supervisory agencies, along with the U.S. Department of the Treasury’s Financial Crimes Enforcement Network, prepared an Interagency Advisory discussing the facts, holding, and implications of the court decision.

In addition to a discussion of the case and the background of the “safe harbor” provisions, the Interagency Advisory also provides useful information regarding steps that banking organizations should take to better ensure that they are fully protected under the law. Most importantly, the Advisory states that, in the opinion of the staffs of the banking agencies, financial institutions and their employees who follow their respective agencies’ SAR regulations and the filing instructions should be fully protected by the “safe harbor” provisions of federal law.

**Additional Information**

All circulars and documents are available on the Internet through the Federal Reserve Bank of San Francisco’s Internet site, at <http://www.frbsf.org/banking/letters>.

For additional information about SARs and the “safe harbor” provisions, please contact our Banking Supervision and Regulation Department at (415) 974-2896.

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Attachment: [Interagency Advisory](#)