

**AMENDMENT TO THE AMENDMENT IN THE
NATURE OF A SUBSTITUTE TO H.R. 2514
OFFERED BY MR. CLEAVER OF MISSOURI**

Page 9, beginning on line 4, strike “for the fiscal year following the date of the enactment of this Act”.

Page 9, line 17, after “budget” insert “, and the level of such support”.

Page 12, line 17, strike “activities” and insert “assistance (as described under subsection (a))”.

Page 20, line 17, after “to” insert “the”.

Page 30, line 8, strike “insider” and insert “inside”.

Page 48, strike line 8 and all that follows through line 11.

Page 48, after line 23, insert the following:

1 SEC. 215. STUDY AND REVISIONS TO CURRENCY TRANS-
2 ACTION REPORTS AND SUSPICIOUS ACTIVITY
3 REPORTS.

4 (a) CURRENCY TRANSACTION REPORTS.—

5 (1) CTR INDEXED FOR INFLATION.—

6 (A) IN GENERAL.—Every 5 years after the
7 date of enactment of this Act, the Secretary of

1 the Treasury shall revise regulations issued
2 with respect to section 5313 of title 31, United
3 States Code, to update each \$10,000 threshold
4 amount in such regulation to reflect the change
5 in the Consumer Price Index for All Urban
6 Consumers published by the Department of
7 Labor, rounded to the nearest \$100. For pur-
8 poses of calculating the change described in the
9 previous sentence, the Secretary shall use
10 \$10,000 as the base amount and the date of en-
11 actment of this Act as the base date.

12 (B) EXCEPTION.—Notwithstanding sub-
13 paragraph (A), the Secretary may make appro-
14 priate adjustments to the threshold amounts
15 described under subparagraph (A) in high-risk
16 areas (e.g., High Intensity Financial Crime
17 Areas or HIFCAs), if the Secretary has demon-
18 strable evidence that shows a threshold raise
19 would increase serious crimes, such as traf-
20 ficking, or endanger national security.

21 (2) GAO CTR STUDY.—

22 (A) STUDY.—The Comptroller General of
23 the United States shall carry out a study of
24 currency transaction reports. Such study shall
25 include—

1 (i) a review (carried out in consulta-
2 tion with the Secretary of the Treasury,
3 the Financial Crimes Enforcement Net-
4 work, the United States Attorney General,
5 the State Attorneys General, and State,
6 Tribal, and local law enforcement) of the
7 effectiveness of the current currency trans-
8 action reporting regime;

9 (ii) an analysis of the importance of
10 currency transaction reports to law en-
11 forcement; and

12 (iii) an analysis of the effects of rais-
13 ing the currency transaction report thresh-
14 old.

15 (B) REPORT.—Not later than the end of
16 the 1-year period beginning on the date of en-
17 actment of this Act, the Comptroller General
18 shall issue a report to the Secretary of the
19 Treasury and the Congress containing—

20 (i) all findings and determinations
21 made in carrying out the study required
22 under subparagraph (A); and

23 (ii) recommendations for improving
24 the current currency transaction reporting
25 regime.

1 (b) MODIFIED SARs STUDY AND DESIGN.—

2 (1) STUDY.—The Director of the Financial
3 Crimes Enforcement Network shall carry out a
4 study, in consultation with industry stakeholders (in-
5 cluding community banks and credit unions), regu-
6 lators, and law enforcement, of the design of a modi-
7 fied suspicious activity report form for certain cus-
8 tomers and activities. Such study shall include—

9 (A) an examination of appropriate optimal
10 SARs thresholds to determine the level at which
11 a modified SARs form could be employed;

12 (B) an evaluation of which customers or
13 transactions would be appropriate for a modi-
14 fied SAR, including—

15 (i) seasoned business customers;

16 (ii) financial technology (Fintech)
17 firms;

18 (iii) structuring transactions; and

19 (iv) any other customer or transaction
20 that may be appropriate for a modified
21 SAR; and

22 (C) an analysis of the most effective meth-
23 ods to reduce the regulatory burden imposed on
24 financial institutions in complying with the

1 Bank Secrecy Act, including an analysis of the
2 effect of—

3 (i) modifying thresholds;

4 (ii) shortening forms;

5 (iii) combining Bank Secrecy Act
6 forms;

7 (iv) filing reports in periodic batches;

8 and

9 (v) any other method that may reduce
10 the regulatory burden.

11 (2) STUDY CONSIDERATIONS.—In carrying out
12 the study required under paragraph (1), the Direc-
13 tor shall seek to balance law enforcement priorities,
14 regulatory burdens experienced by financial institu-
15 tions, and the requirement for reports to have “high
16 degree of usefulness to law enforcement” under the
17 Bank Secrecy Act.

18 (3) REPORT.—Not later than the end of the 1-
19 year period beginning on the date of enactment of
20 this Act, the Director shall issue a report to Con-
21 gress containing—

22 (A) all findings and determinations made
23 in carrying out the study required under sub-
24 section (a); and

1 (B) sample designs of modified SARs
2 forms based on the study results.

3 (4) CONTRACTING AUTHORITY.—The Director
4 may contract with a private third-party to carry out
5 the study required under this subsection.

6 (c) DEFINITIONS.—For purposes of this section:

7 (1) BANK SECRECY ACT.—The term “Bank Se-
8 crecy Act” has the meaning given that term under
9 section 5312 of title 31, United States Code.

10 (2) REGULATORY BURDEN.—The term “regu-
11 latory burden” means the man-hours to complete fil-
12 ings, cost of data collection and analysis, and other
13 considerations of chapter 35 of title 44, United
14 States Code (commonly referred to as the Paper-
15 work Reduction Act).

16 (3) SAR; SUSPICIOUS ACTIVITY REPORT.—The
17 term “SAR” and “suspicious activity report” mean
18 a report of a suspicious transaction under section
19 5318(g) of title 31, United States Code.

20 (4) SEASONED BUSINESS CUSTOMER.—The
21 term “seasoned business customer”, shall have such
22 meaning as the Secretary of the Treasury shall pre-
23 scribe, which shall include any person that—

24 (A) is incorporated or organized under the
25 laws of the United States or any State, or is

1 registered as, licensed by, or otherwise eligible
2 to do business within the United States, a
3 State, or political subdivision of a State;

4 (B) has maintained an account with a fi-
5 nancial institution for a length of time as deter-
6 mined by the Secretary; and

7 (C) meet such other requirements as the
8 Secretary may determine necessary or appro-
9 priate.

10 **SEC. 216. STREAMLINING REQUIREMENTS FOR CURRENCY**
11 **TRANSACTION REPORTS AND SUSPICIOUS**
12 **ACTIVITY REPORTS.**

13 (a) REVIEW.—The Secretary of the Treasury (in con-
14 sultation with Federal law enforcement agencies, the Di-
15 rector of National Intelligence, and the Federal functional
16 regulators and in consultation with other relevant stake-
17 holders) shall undertake a formal review of the current
18 financial institution reporting requirements under the
19 Bank Secrecy Act and its implementing regulations and
20 propose changes to further reduce regulatory burdens, and
21 ensure that the information provided is of a “high degree
22 of usefulness” to law enforcement, as set forth under sec-
23 tion 5311 of title 31, United States Code.

24 (b) CONTENTS.—The review required under sub-
25 section (a) shall include a study of—

1 (1) whether the timeframe for filing a sus-
2 picious activity report should be increased from 30
3 days;

4 (2) whether or not currency transaction report
5 and suspicious activity report thresholds should be
6 tied to inflation or otherwise periodically be ad-
7 justed;

8 (3) whether the circumstances under which a fi-
9 nancial institution determines whether to file a “con-
10 tinuing suspicious activity report”, or the processes
11 followed by a financial institution in determining
12 whether to file a “continuing suspicious activity re-
13 port” (or both) can be narrowed;

14 (4) analyzing the fields designated as “critical”
15 on the suspicious activity report form and whether
16 the number of fields should be reduced;

17 (5) the increased use of exemption provisions to
18 reduce currency transaction reports that are of little
19 or no value to law enforcement efforts;

20 (6) the current financial institution reporting
21 requirements under the Bank Secrecy Act and its
22 implementing regulations and guidance; and

23 (7) such other items as the Secretary deter-
24 mines appropriate.

1 (c) REPORT.—Not later than the end of the one year
2 period beginning on the date of the enactment of this Act,
3 the Secretary of the Treasury, in consultation with law
4 enforcement and persons subject to Bank Secrecy Act re-
5 quirements, shall issue a report to the Congress containing
6 all findings and determinations made in carrying out the
7 review required under subsection (a).

8 (d) DEFINITIONS.—For purposes of this section:

9 (1) FEDERAL FUNCTIONAL REGULATOR.—The
10 term “Federal functional regulator” has the mean-
11 ing given that term under section 103.

12 (2) OTHER TERMS.—The terms “Bank Secrecy
13 Act” and “financial institution” have the meaning
14 given those terms, respectively, under section 5312
15 of title 31, United States Code.

Page 55, line 3, strike “monitoring”.

Page 55, after line 18, insert the following:

16 **SEC. 305. FINCEN STUDY ON USE OF EMERGING TECH-**
17 **NOLOGIES.**

18 (a) STUDY.—

19 (1) IN GENERAL.—The Director of the Finan-
20 cial Crimes Enforcement Network (“FinCEN”) shall
21 carry out a study on—

1 (A) the status of implementation and in-
2 ternal use of emerging technologies, including
3 artificial intelligence (“AI”), digital identity
4 technologies, blockchain technologies, and other
5 innovative technologies within FinCEN;

6 (B) whether AI, digital identity tech-
7 nologies, blockchain technologies, and other in-
8 novative technologies can be further leveraged
9 to make FinCEN’s data analysis more efficient
10 and effective; and

11 (C) how FinCEN could better utilize AI,
12 digital identity technologies, blockchain tech-
13 nologies, and other innovative technologies to
14 more actively analyze and disseminate the infor-
15 mation it collects and stores to provide inves-
16 tigative leads to Federal, State, Tribal, and
17 local law enforcement, and other Federal agen-
18 cies (collective, “Agencies”), and better support
19 its ongoing investigations when referring a case
20 to the Agencies.

21 (2) INCLUSION OF GTO DATA.—The study re-
22 quired under this subsection shall include data col-
23 lected through the Geographic Targeting Orders
24 (“GTO”) program.

1 (3) CONSULTATION.—In conducting the study
2 required under this subsection, FinCEN shall con-
3 sult with the Directors of the Innovations Labs es-
4 tablished in section 302.

5 (b) REPORT.—Not later than the end of the 6-month
6 period beginning on the date of the enactment of this Act,
7 the Director shall issue a report to the Committee on
8 Banking, Housing, and Urban Affairs of the Senate and
9 the Committee on Financial Services of the House of Rep-
10 resentatives containing—

11 (1) all findings and determinations made in car-
12 rying out the study required under subsection (a);

13 (2) with respect to each of subparagraphs (A),
14 (B) and (C) of subsection (a)(1), any best practices
15 or significant concerns identified by the Director,
16 and their applicability to AI, digital identity tech-
17 nologies, blockchain technologies, and other innova-
18 tive technologies with respect to U.S. efforts to com-
19 bat money laundering and other forms of illicit fi-
20 nance; and

21 (3) any policy recommendations that could fa-
22 cilitate and improve communication and coordination
23 between the private sector, FinCEN, and Agencies
24 through the implementation of innovative ap-
25 proaches, in order to meet their Bank Secrecy Act

1 (as defined under section 5312 of title 31, United
2 States Code) and anti-money laundering compliance
3 obligations.

