November 12, 2025

Via Electronic Mail

Robert Meiers
Attorney
Federal Deposit Insurance Corporation
550 17th Street NW
Washington, D.C. 20429

Re: Agency Information Collection Activities: Proposed New Information Collection; Survey of the Costs of AML/CFT Compliance; Comment Request (OMB Number: 3064-NEW)

Dear Mr. Meiers:

The Bank Policy Institute[1] and The Clearing House Association[2] (collectively, the "Associations") appreciate the opportunity to provide comments in response to the Federal Deposit Insurance Corporation's (FDIC's) request for information on a proposed information collection, a Survey of the Costs of Anti-Money Laundering and Countering the Financing of Terrorism (AML/CFT) Compliance.[3] The Associations strongly support the goals of the Bank Secrecy Act (BSA) and the continued evolution of the U.S. regulatory framework to ensure that financial institutions can effectively mitigate illicit finance risks while enabling responsible innovation. We also support the FDIC's stated aims for the draft survey to support rulemakings and guidance to "reduce compliance burden without compromising the effectiveness of current AML/CFT frameworks."

The draft survey reflects thoughtful consideration of the BSA compliance burdens facing financial institutions. In addition to comments on specific survey questions, we offer several general recommendations to better scope the survey and enhance the usefulness of the information collected.

- The survey seeks information about only one year, 2024. Because AML/CFT compliance costs are highly variable across years, depending on annual budgets and varying needs,

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[1] The Bank Policy Institute is a nonpartisan public policy, research and advocacy group that represents universal banks, regional banks, and the major foreign banks doing business in the United States. The Institute produces academic research and analysis on regulatory and monetary policy topics, analyzes and comments on proposed regulations, and represents the financial services industry with respect to cybersecurity, fraud, and other information security issues.

[2] The Clearing House Association L.L.C., the country's oldest banking trade association, is a nonpartisan organization that provides informed advocacy and thought leadership on critical payments-related issues. Its sister company, The Clearing House Payments Company L.L.C., owns and operates core payments system infrastructure in the U.S., clearing and settling more than $2 trillion each business day.

[3] Federal Deposit Insurance Corporation, *Agency Information Collection Activities: Proposed New Information Collection; Survey of the Costs of AML/CFT Compliance; Comment Request*, 90 Fed. Reg. 44,191 (September 12, 2025).

a multi-year or comparative approach could produce a more accurate representation of ongoing compliance obligations.

- The Associations recommend that the FDIC coordinate with the other federal banking agencies and FinCEN, as appropriate, to ensure that any surveys they may issue to their supervised institutions closely track the proposed FDIC survey to ensure comparability of responses across institution types.

- The survey states that responses will be voluntary and "will not be used for supervisory purposes." It does not address whether responses will be protected from Freedom of Information Act (FOIA) requests or treated as Confidential Supervisory Information (CSI). The Associations request explicit assurances that responses will be treated as CSI and exempted from FOIA requests in order to promote candor and accuracy in survey results. We also recommend that responses be kept anonymized.

Please see our comments on each of the draft survey questions below.

1. What was the total estimated direct cost in calendar year 2024 for your institution for compliance with all programs mandated by the BSA and its implementing regulations? (Please state your answer in U.S. Dollars. For the purpose of your response, "Direct costs" should include labor, transaction monitoring software, and third parties (software, systems, vendors) used in AML/CFT compliance. Please exclude indirect costs such as office space or depreciation on computer systems.) Separately, approximately what percentage of your institution's total operating expenses did these direct AML/CFT compliance costs represent in calendar year 2024?

Estimating firm-wide AML/CFT compliance costs, as denoted, presents significant practical challenges. Costs extend across first, second, and third lines of defense, including from legal and compliance departments, and often comprise shared and overlapping personnel and resources. For more accurate institutional analysis, regulators will need to consider how customer base, deposits, and asset size affect reported figures. We recommend clarifying whether OFAC and other economic sanctions compliance costs are included or separate from AML/CFT costs. Our members note that in other similar surveys, FinCEN's information requests have sometimes been narrower (e.g., by excluding 314(b) and sanctions-screening costs).

2 - Please specify which of the following areas your institution uses technological resources, including software, to assist with:

a. Customer onboarding/identification/due diligence requirements
b. Identifying suspicious activity
c. Currency transaction reporting
d. 314(a) mandatory FinCEN information sharing
e. 314(b) voluntary financial institution information sharing
f. OFAC compliance

Members report extensive use of technology in all facets of AML/CFT compliance that are sub-bulleted in this question. As drafted, the question is unlikely to yield actionable results without further refinement such as by identifying which uses are in scope (e.g., manual versus automated processes) and the kinds of technology resources that should be included (e.g., specialized task-specific software versus technology tools of general application).

> *3. Approximately what percentage of the total direct cost of AML/CFT compliance is attributable to the production of Suspicious Activity Reports (SARs)? These direct costs include costs associated with AML/CFT staff reviewing alerts, maintaining a transaction monitoring system, and investigating cases arising from alerts, whether or not they lead to the production of a SAR, among other things.*

In 2024, BPI responded to FinCEN's request for burden estimates of SAR filings and found that its estimate for actual hours per SAR filing far surpassed official estimates from FinCEN. BPI's 15 survey respondents included banks with at least $100 billion in assets and included financial institutions regulated by the OCC and Federal Reserve. SAR-related costs include not only review and investigation, but extensive quality assurance, testing, and audit controls. We recommend this survey question capture both direct and indirect costs (including non-filing investigations and controls required to meet examination standards).

> *4. (OPTIONAL) If your institution is able to provide the following information without significant burden, please provide approximately what percentage of the total cost of AML/CFT compliance is directly attributable to:*
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> *a. Customer Identification Program/Customer due diligence requirements*
> *b. Reporting requirements for suspicious activity reporting*
> *c. Reporting requirements for currency transaction reporting and exemptions*
> *d. Internal controls related to AML/CFT compliance program*
> *e. Independent testing for compliance by bank personnel or an outside party*
> *f. Training and staffing employees*
> *g. 314(a) mandatory FinCEN information sharing*
> *h. 314(b) voluntary financial institution information sharing*
> *i. Funds transfer record keeping*
> *j. Monetary instrument recordkeeping*
> *k. Special measures*
> *l. Software*
> *m. Other third-party activities*

We recommend this question be realigned according to the AML/CFT pillars and be mandatory for all voluntary respondents. The survey may also benefit in breaking out SARs (e.g., by structuring) or inquiring about CTR reporting at different transaction levels among each of the subsections. Greater granularity on internal controls and training, as well as clarification about measures, such as special demand requests or FFA, could be useful as regulators consider targeted rules and guidance to reduce financial institution burden.

> *5. What approximate percentage of the total cost of AML/CFT compliance is attributable to complying with Office of Foreign Assets Controls (OFAC) or other economic sanctions authorities?*

As noted in our comments regarding Question 1, there is uncertainty about whether OFAC compliance costs and other similar expenses (e.g. for export controls and other sanctions programs) are in scope of this survey. Shared tools across BSA and OFAC programs make attribution difficult to distinguish, so an amended survey question with explicit guidance on scope would improve uniform information gathering across respondents.

> *6. Does your institution conduct anti-financial crime activities or maintain systems designed to combat financial crime that are not directly required by the BSA or its implementing regulations? Examples include additional customer due diligence programs or the development and operation of a Financial Intelligence Unit. If so, what is the direct cost (not included in question 1) of these additional activities across all business lines of your institution in calendar year 2024?*

Financial institutions take their BSA obligations very seriously and can be obligated to implement risk-based, enhanced controls depending on their risk appetite and business model. We suggest this question could be rephrased to specifically survey the various enhanced controls firms may employ depending on their operational complexity.

<u>Conclusion</u>

Thank you for considering these recommendations. We believe that adjusting the survey design and analytical approach will result in more robust data and a clearer path toward regulatory guidance. We would welcome further dialogue on these topics. If you have any questions, please do not hesitate to contact us.

Respectfully submitted,

/s/
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/s/
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The Clearing House Association