

## Magnetic Media Retirement Questions and Answers

### 1. What is the Magnetic Media Retirement project?

The Magnetic Media Retirement project encompasses a set of tasks and deliverables necessary to support the phase out of all magnetic media filings by financial institutions. Tasks include the streamlining of the transition process for magnetic media users to BSA E-filing, updating of all user documentation, and a public web site redesign. Filing institutions will have until December 31, 2008 to transition to submitting their BSA filings using the BSA E-Filing System.

### 2. Why is the Magnetic Media Retirement necessary? What is the business need for it at this time?

The IRS computing center in Detroit has provided, for some time, electronic filing support to financial institutions required to file Bank Secrecy Act Reports through the Magnetic Media filing program. The program has been proven effective in aiding financial institutions to bulk file Suspicious Activity Reports (SAR) and Currency Transaction Reports (CTR) in a special file format copied onto 18/36 track tapes or 3.5 inch diskettes. However, the Magnetic Media filing program is increasingly costly to maintain and new technology is rapidly making 18/36 track tape and the 3.5 diskettes obsolete. Upgrading this legacy system would be cost prohibitive, especially in view of still-evolving industry standards for storage media. There also are security concerns associated with mailing tapes or diskettes should they be lost in transit.

FinCEN currently operates the BSA E-Filing System that will be the replacement for the Magnetic Media program. The comparative advantages of the BSA E-Filing System are that it is web-based, secure (user ID and password protected), requires no storage media, is available at no cost to the user, supports both discrete (single report) or batch (multiple reports) filing, and **uses the same file format** as the current Magnetic Media program.

### 3. How long will the magnetic media users have to transition to BSA E-Filing?

Magnetic media users will have until December 31, 2008 to transition to the BSA E-Filing System.

### 4. How and where can magnetic media users ask questions or learn the steps to transition to BSA E-Filing?

Magnetic media users can access the public web site at the following link to learn the steps to transition and enroll in the BSA E-Filing System:

<http://bsaefiling.fincen.treas.gov>

Specific questions about the transition process can be directed to the BSA E-Filing Help Desk at 1-888-827-2778 (option 6) or [BSAEFilingHelp@notes.tcs.treas.gov](mailto:BSAEFilingHelp@notes.tcs.treas.gov). The Help Desk regular hours of operation are 8:00 am - 6:00 pm East Coast Time, Monday - Friday. Please note that the Help Desk is closed on federal holidays.

### 5. How will customer support be provided?

The BSA E-Filing System Help Desk will provide customer support for all users. The BSA E-Filing Help Desk can be contacted by calling 1-888-827-2778 (option 6) or [BSAEFilingHelp@notes.tcs.treas.gov](mailto:BSAEFilingHelp@notes.tcs.treas.gov). The Help Desk regular hours of operation are 8:00 am

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6. What happens if magnetic media users cannot transition to BSA E-Filing by the deadline defined?

The Regulatory Policy and Programs Division (RPPD) will handle on a case by case basis if magnetic media users cannot transition by the deadline.

7. What changes will magnetic media users have to make in order to transition to BSA E-Filing?

In general, the transition to the BSA electronic batch submission process is an opportunity to review existing batch submission generation, status tracking, acknowledgement file processing and correction generation procedures to ensure that they continue to meet efficiency, simplicity, and security needs.

The following table presents specific BSA features and their effect on the submission process. It includes recommendations for actions by submitters to gain the maximum advantage of the BSA features.

BSA Feature	Effect on Submission Process
1. Immediate Notification Of Acceptance Or Rejection Of Each Batch File Submission	Submitter can easily correlate rejection notice to the errored submission due to immediacy of email notification returned for each submission. Reduces need to develop and maintain user guides and highly skilled submitters. Reduces training time. Reduces errors. Submitters should amend their workflow process to include use of the track status function to ensure submissions are processed by BSA in a timely manner.
2. Notification Of Reason For Rejection	Error notification specifies the error record and what is incorrect or invalid which results in reduced amount of time required to isolate cause of error. Information provided as to expected/allowed values to assist in making correction that will result in acceptance on submission. Submitters should click on "Rejection" status on the track status report to display the detailed explanation for each submission rejected by BSA.
3. Status Of Each Submission Available To Submitter And Financial Institution's Supervisory Users	Information provided as to expected/allowed values to assist in making correction that will result in acceptance on submission. When submitting users transfer or leave, status information is still available to supervisory users. Unlimited number of users may have the Supervisory User role. Immediate available of status make it easy to correlate the status to the submission it refers to. Submitters and supervisors should use the track status and track organization status functions to verify that timely processing of submissions is occurring.
4. Reject Codes In Track Status Report	Error notification specifies the error record and what is incorrect or invalid which results in reduced amount of time required to isolate cause of error. Error codes defined in User Manual to simplify error correction. Submitters should click on "Rejection" status on the track status report to display the detailed explanation for each submission rejected by BSA.
5. BSA E-Filing Help Desk	Live, responsive, informed, knowledgeable help desk personnel available Monday-Friday, 8:00 a.m. to 6:00 p.m., daily except Federal holidays. Any issue, problem, assistance eliminates confusion and speeds set up. Submitters should contact the BSA

	Help Desk when unexpected results occur or the procedure to be followed to obtain a result is not known.
6. Physical Versus Electronic Objects	Magnetic media are physical objects. Electronic batch files are electronic copies. The Financial Institution's security and control policies and procedures for physical objects is different from the policies and procedures for electronic objects. New processes and procedures will need to be developed for electronic batch filing. Submitting organizations should discuss changes to procedures necessitated and enabled by the transition from the handling of physical media to the management and control of electronic versions of submissions.
7. BSA Processing Procedures	The delivery of electronic acknowledgement files for CTRs, DEPs, and CTCRs within a few days of submission will allow reduction to the cycle time from submission to correction generation for errored submissions. BSA E-Filing can accept any number of submissions from a Financial Institution each day with as few as one submission in each batch file. Financial Institutions can submit multiple submissions each day. Submitting organization should review their submission generation and acknowledgement processing schedules to determine whether changes can/should be made to simplify and improve the flow of submissions, processing of acknowledgement files, and generation and submission of corrected submissions.
8. Acknowledgement Files	Acknowledgement files returned by BSA are fixed length ASCII files with a carriage return and a linefeed at the end of each line of data. Submitters should contact their IT group to ensure that this format is compatible with any special software developed to process acknowledgement files as the file may differ from those received from the IRS since the IRS returns acknowledgement files in EBCDIC on magnetic media..

8. What changes in the file format of magnetic media users are necessary in order to transition to BSA E-Filing?

No changes are necessary for file format. BSA E-Filing accepts the magnetic media file format as a batch file submission.

9. How do users enroll in BSA E-Filing?

See Getting Started with BSA E-Filing on the BSA E-Filing web site at:

<http://bsaefiling.fincen.treas.gov>.