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BUREAU OF CONSUMER FINANCIAL PROTECTION

12 CFR Part 1005

[Docket No. CFPB-2013-0032]

RIN 3170-AA33

Electronic Fund Transfers (Regulation E)

AGENCY: Bureau of Consumer Financial Protection.

ACTION: Notice of publication of remittance rule safe harbor list.

SUMMARY: On September 26, 2012, the Bureau of Consumer Financial Protection (Bureau) issued a safe harbor list of countries that qualify for an exception in subpart B of Regulation E, which implements the Electronic Fund Transfer Act, and published this list on its Web site. The Bureau is now publishing the current list, which is unchanged from the prior release, in the Federal Register. The Bureau recognizes that the list may change, and it intends to revise the list periodically.

DATES: This list is effective on October 28, 2013. The Bureau will next consider suggestions and input on additions or deletions made on or before March 17th, 2014. However, to facilitate compliance, the Bureau will not remove a country from the list before July 1st, 2014.

ADDRESSES: The Bureau welcomes your input related to whether it has included the appropriate countries and areas on the list. To provide input, please send your feedback and any supporting materials (in English) to:

- CFPB_CountriesList@cfpb.gov or
- Office of the Executive Secretary; Bureau of Consumer Financial Protection; 1700 G Street, N.W., Washington, D.C. 20552.

In general, all comments received will be posted without change to [regulations.gov](http://www.regulations.gov), including any personal information provided. Sensitive personal information, such as account numbers or social security numbers, should not be included.

FOR FURTHER INFORMATION CONTACT: Eric Goldberg or Lauren Weldon, Counsels, Division of Research, Markets, and Regulations, Bureau of Consumer Financial Protection, 1700 G Street, N.W., Washington, D.C. 20552, at (202) 435-7700 or at CFPB_RemittanceRule@cfpb.gov. The Bureau also allows interested parties to sign up to receive an alert by e-mail any time the list changes. To receive an alert when the Bureau releases a revised countries list, please sign up for e-mail updates on the Bureau's Web site at <http://www.consumerfinance.gov/remittances-transfer-rule-amendment-to-regulation-e/>.

SUPPLEMENTARY INFORMATION: The Bureau published its remittance rule on February 7, 2012 (77 FR 6194) implementing section 1073 of the Dodd-Frank Wall Street Reform and Consumer Protection Act. The remittance rule, which includes several additional revisions and amendments published in the Federal Register on July 10, 2012 (77 FR 40459), August 20, 2012 (77 FR 50244), May 22, 2013 (78 FR 30662), and August 14, 2013 (78 FR 49365) (collectively the Final Rule), takes effect on October 28, 2013. Pursuant to the Final Rule, the Bureau determined it would publish a safe harbor list of countries that qualify for an exception in the rule.

That exception permits estimates of certain disclosures in lieu of exact amounts, unless the provider has information that a country's laws, or the method by which transactions are conducted in that country, permits a determination of the exact disclosure amount.

The Final Rule, which goes into effect on October 28, 2013, generally requires remittance transfer providers to give consumers sending remittance transfers certain specified disclosures.

Among other requirements, a provider generally must disclose the applicable exchange rate, any

fees imposed and taxes collected by the provider, and covered third-party fees.¹ In particular circumstances, the Final Rule permits providers to estimate certain amounts that the rule requires them to disclose.

As it relates to this notice, a permanent exception in the Final Rule permits estimates of certain disclosures when, among other circumstances, a remittance transfer provider cannot determine the exact amounts it must disclose at the time the disclosures are required because the laws of the recipient country do not permit such determinations. *See* 12 CFR 1005.32(b)(1)(i)(A).² The Bureau stated in the Federal Register notice published on February 7, 2012 (77 FR 6194) that it would provide a list of countries that qualify for this permanent exception to facilitate providers' compliance with the rule. The Bureau issued this list on its Web site on September 26, 2012.³

The Bureau is now publishing the list in the Federal Register. The list is unchanged from the list first released in September 2012.

The current list of countries and other areas contains: Aruba, Brazil, China, Ethiopia and Libya. This list is current as of the date of its publication in the Federal Register.

As noted in the Final Rule, the list contains countries and other areas whose laws the Bureau believes, based on its interpretation of the permanent exception and relevant countries' laws, prevent providers from determining, at the time the required disclosures must be provided, the exact exchange rate on the date of availability for a transfer involving a currency exchange.

¹ As described in the Final Rule, the term "covered third party fees" includes all fees charged by persons other than the provider except for fees imposed by the designated recipient's institution for receiving a remittance transfer into an account unless the institution acts as an agent of the remittance transfer provider. 12 CFR 1005.30(h)(1).

² *See generally* 12 CFR 1005.32 for the Final Rule's provisions on providing estimates for required disclosures.

³ *Working to Help Industry Understand and Comply with the New Remittance Rule: Countries List and Webinar*, available at: <http://www.consumerfinance.gov/blog/working-to-help-industry-understand-and-comply-with-the-new-remittance-rule-countries-list-and-webinar/> (last visited October 22, 2013).

The Final Rule explains that a remittance transfer provider may rely on this list, unless the provider has information that a country's laws or the method by which transactions are conducted in that country permits a determination of the exact disclosure amount. *See* 12 CFR 1005.32(b)(1)(ii) and comment 32(b)(1)-2 (containing examples of when this exception does and does not apply). For example, for transfers to Aruba and Brazil, the Bureau believes that a remittance transfer provider can only rely on the list when the sender funds a transfer in a currency *other than the local currency* (*i.e.*, not the Aruban florin and the Brazilian real, respectively), and the transfer is exchanged into the local currency in the foreign country as opposed to being exchanged in the United States. The Bureau believes that exception is limited to such scenarios because under Brazil's and Aruba's laws the exchange rate is set when a transfer is picked up only where the transfer is funded in a foreign currency and is then exchanged into the local currency in Brazil or Aruba, respectively. In addition to the Bureau's list, the Final Rule permits providers to make their own determinations that the laws of other recipient countries or the method of sending transfers to recipient countries, which are not on the list, do not permit a determination of exact amounts. *See* 12 CFR 1005.32(b)(1)(i).

This list is subject to change. As applicable, the Bureau will publish revisions to the list on its Web site and in the Federal Register. To facilitate compliance when the Final Rule goes into effect, the Bureau will not remove any countries on this version of the list before July 1, 2014. Furthermore, if the Bureau believes that it may be appropriate to remove a country or area from the list, the Bureau will provide 90-days advance notice.

The Bureau will next review the list in spring 2014. To have your suggestions or input considered for the Bureau's next review, please send your feedback on whether the Bureau should make changes to the list and any supporting materials (in English) on or before March 17, 2014 to:

- CFPB_CountriesList@CFPB.gov or
- Office of the Executive Secretary; Bureau of Consumer Financial Protection; 1700 G Street, N.W., Washington, D.C. 20552.

To receive an alert when the Bureau releases a revised countries list, please sign up for e-mail updates at <http://www.consumerfinance.gov/remittances-transfer-rule-amendment-to-regulation-e/>.

Dated: October 24, 2013.

Christopher D'Angelo,
Chief of Staff, Bureau of Consumer Financial Protection.

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