



(BILLING CODE: 4810-02)

DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

Agency Information Collection Activities; Proposed Renewal; Comment Request; Renewal Without Change of Anti-Money Laundering Programs for Money Services Businesses, Mutual Funds, and Operators of Credit Card Systems.

AGENCY: Financial Crimes Enforcement Network (“FinCEN”), U.S.

Department of the Treasury.

ACTION: Notice and request for comments.

SUMMARY: FinCEN invites comment on the renewal of information collections in existing regulations requiring money services businesses (“MSBs”), mutual funds, and operators of credit card systems to develop and implement written anti-money laundering programs reasonably designed to prevent those financial institutions from being used to facilitate money laundering and the financing of terrorist activities. This request for comments is being made pursuant to the Paperwork Reduction Act (“PRA”) of 1995, Pub. L. 104-13, 44 U.S.C. 3506(c)(2)(A).

DATES: Written comments are welcome and must be received on or before [INSERT DATE 60 DAYS AFTER THE DATE OF PUBLICATION OF THIS DOCUMENT IN THE FEDERAL REGISTER.]

ADDRESSES: Comments may be submitted by any of the following methods:

- Federal E-rulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments. Refer to Docket Number FINCEN-2018-

0010 and the Office of Management and Budget (“OMB”) control number 1506-0020.

- Mail: Policy Division, Financial Crimes Enforcement Network, P.O. Box 39, Vienna, VA 22183. Refer to Docket Number FINCEN-2018-0010 and OMB control number 1506-0020.

Please submit comments by one method only. Comments will also be incorporated to FinCEN’s retrospective regulatory review process, as mandated by E.O. 12866 and 13563. All comments submitted in response to this notice will become a matter of public record. Therefore, you should submit only information that you wish to make publicly available.

FOR FURTHER INFORMATION CONTACT: The FinCEN Resource Center at 800-767-2825 or electronically at frc@fincen.gov.

SUPPLEMENTARY INFORMATION:

The Bank Secrecy Act (“BSA”), Titles I and II of Public Law 91–508, as amended, codified at 12 U.S.C. 1829(b), 12 U.S.C. 1951–1959, and 31 U.S.C. et seq., authorizes the Secretary of the Treasury, among other things, to require financial institutions to keep records and file reports that are determined to have a high degree of usefulness in criminal, tax, and regulatory matters or in the conduct of intelligence or counter-intelligence activities to protect against international terrorism, and to implement counter-money laundering programs and compliance procedures.¹ Title III of the USA PATRIOT Act of 2001, Pub. L.

¹ Language expanding the scope of the BSA to intelligence or counter-intelligence activities to protect against international terrorism was added by Section 358 of the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001, P.L. 107-56.

107–56, included certain amendments to the anti-money laundering provisions of Title II of the BSA, 31 U.S.C. 5311 et seq., which are intended to aid in the prevention, detection, and prosecution of international money laundering and terrorist financing.

Regulations implementing Title II of the BSA appear at 31 CFR Chapter X. The authority of the Secretary of the Treasury to administer Title II of the BSA has been delegated to the Director of FinCEN. The information collected and retained under the regulation addressed in this notice assist federal, state, and local law enforcement as well as regulatory authorities in the identification, investigation and prosecution of money laundering and other matters.

In accordance with the requirements of the PRA and its implementing regulations, the following information is presented concerning the information collection below.

Title: Anti-Money Laundering Programs for MSBs (31 CFR 1022.210),² Mutual Funds (31 CFR 1024.210), and Operators of Credit Card Systems (31 CFR 1028.210).

OMB Control Number: 1506-0020.

Abstract: MSBs, mutual funds, and operators of credit card systems are required to develop and implement written anti-money laundering programs. FinCEN recognizes a three hour burden for the initial development of an AML program. FinCEN further estimates an annual burden of one hour for maintenance of the program (i.e., review and update as necessary). A copy of the written program

² The term MSB includes dealer in foreign exchange, check casher, issuer or seller of traveler's checks or money orders, provider of prepaid access, money transmitter, U.S. Postal Service, and seller of prepaid access. See 31 CFR 1010.100(ff).

must be maintained for five years. In view of the additional information providers and sellers of prepaid access (a type of MSB) are required to collect and maintain to verify identity under their AML program regulations, and the degree of automation available to them, FinCEN estimates an additional annual maintenance burden of two minutes for each prepaid card issued for this MSB subset.³

Current Action: Renewal without change to existing regulations.

Type of Review: Renewal without change of a currently approved information collection.

Affected Public: Businesses and other for-profit institutions.

Burden:

Estimated Number of Respondents: 327,106 broken out as follows:

- MSBs: 31 CFR 1022.210 = 324,100
- Mutual Funds: 31 CFR 1024.210 = 3,000
- Operators of Credit Card Systems: 31 CFR 1028.120 = 6.

Estimated Annual Responses: 2,910,406 broken out as follows:

- MSBs (AML Programs): 31 CFR 1022.210 = 324,100
- MSBs (Prepaid Cards – Customer Identity Verification): 31 CFR 1022.210(d)(iv) = 2,583,300⁴
- Mutual Funds (AML Program): 31 CFR 1024.210 = 3,000
- Operators of Credit Card Systems (AML Program): 31 CFR 1028.210 = 6.

AML Program-Related Hourly Burdens, estimated at one hour per respondent:

- MSBs (AML Programs): 31 CFR 1022.210 = 324,100
- Mutual Funds: 31 CFR 1024.210 = 3,000
- Operators of Credit Card Systems: 31 CFR 1028.210 = 6.

³ In addition to maintaining an AML program, providers and sellers of prepaid access are required to collect and maintain the customer's name, date of birth, address, and identification number for five years. This collection is automated. FinCEN estimates that approximately 2,583,300 prepaid cards are issued annually. See 31 CFR 1022.210(d)(iv).

⁴ See supra note 3.

Prepaid Card-Related Hourly Burden:

- MSBs (Prepaid Cards – Customer Identity Verification): 31 CFR 1022.210(d)(iv) = 86,110.⁵

Estimated Total Number of Burden Hours: 413,216.⁶

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Records required to be retained under the BSA must be retained for five years. Generally, information collected pursuant to the BSA is confidential but may be shared as provided by law with regulatory and law enforcement authorities.

Request for Comments: Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance and purchase of services to provide information.

⁵ 2,583,300 prepaid cards multiplied by 2 minutes per card and converted to hours equals 86,100 hours.

⁶ (324,100 + 300 + 6 + 86,110 = 413,216).

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