

SUPPLEMENTAL STATEMENT
1506-0009

1. Circumstances Necessitating Collection of Information.

The Bank Secrecy Act, Titles I and II of Pub. L. 91-508, as amended, codified at 12 U.S.C. 1829, 12 U.S.C. 1951-1959, and 31 U.S.C. 5311-5330, authorizes the Secretary of the Treasury, inter alia, to issue regulations requiring records and reports that are determined to have a high degree of usefulness in criminal, tax, and regulatory investigations and proceedings. Regulations implementing Title II of the Bank Secrecy Act (codified at 31 U.S.C. 5311-5330) appear at 31 CFR Part 103. The authority of the Secretary to administer the Bank Secrecy Act has been delegated to the Director of the Financial Crimes Enforcement Network ("FinCEN").

The Secretary of the Treasury has determined that the records and reports required by the Bank Secrecy Act have a high degree of usefulness in criminal, tax, or regulatory investigations. All of this required information aids in creating a paper trail to trace funds through the financial system; the information is essential for tracing drug and other illegal proceeds back to their illegal sources and helping to identify the sources, volume, and movements of domestic and international currency. The information collected and retained under these regulations and the information collected on form TD F 90-22.1 assist federal, state and local law enforcement in the identification, investigation, and prosecution of individuals involved in money laundering, tax evasion, narcotics trafficking, organized crime, bank, securities, and tax fraud, embezzlement and other crimes. The information also assists in the conduct of financial supervision and other regulatory matters, and in tax collection and examination. The implementing regulations have been issued in 31 CFR Part 103 and provide, to the extent covered by this control number, as follows:

Reports of foreign financial accounts (31 CFR 103.24, 103.27(d), 103.32) and Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.

Every person having a financial interest in, or signature authority over, a foreign account over \$10,000 must file a report of the account (31 CFR 103.24, 103.27(d)) and must maintain records that contain the name in which the account is maintained, the number of the account, the name and address of the foreign bank, and the type of account and maximum value of the account (31 CFR 103.32).

2. Method of Collection and use of data.

The information collected and retained under these regulations assists federal, state and local law enforcement in the identification, investigation, and prosecution of individuals involved in money laundering, tax evasion, narcotics trafficking, organized crime, bank, securities, and tax fraud, embezzlement and other crimes. The information also assists in the conduct of financial supervision and other regulatory matters, and in tax collection and examination. Without this information the proceeds

from drug trafficking and other illegal activity and unreported tax income would be difficult to detect, could become more easily "legitimized" in the United States economy, and could be more easily exported to other countries or offshore bank havens. All of these factors would result in even greater profits for the criminal elements involved and preclude law enforcement from effectively attacking the prime motivation for all criminal activity.

3. Use of Improved Information Technology to Reduce Burden.

This form (the FBAR) does not involve the use of automated electronic, or other technological collection techniques. The regulations relating to recordkeeping for wire transfers, 31 CFR 103.33, specifically allow records to be kept in electronic form. Other recordkeeping rules do not specifically address electronic recordkeeping but provide that records may be a microfilm or "other" copy or reproduction.

4. Efforts to Identify Duplication

There is no similar information available; thus, there is no duplication. Similar data are not available from any other sources. While financial institutions generally maintain some records on non-cash transactions, only the Bank Secrecy Act requires information on currency transactions, and the particular recordkeeping required under the Bank Secrecy Act is implemented by these rules.

5. Methods to Minimize Burden on Small Businesses or other Small Entities

This collection of information does not impact small entities.

6. Consequences to the Federal Government of not collecting the Information.

The information collected and retained under these regulations and the information collected on form TD F 90-22.1 assist federal, state and local law enforcement in the identification, investigation, and prosecution of individuals involved in money laundering, tax evasion, narcotics trafficking, organized crime, bank, securities, and tax fraud, embezzlement and other crimes.

7. Special Circumstances Requiring Data Collection Inconsistent with Guidelines.

There are no special circumstances.

8. On January 30, 2008, FinCEN published a 60-day notice in the Federal Register (73 FR 5628) inviting public comment on this information collections. There were no responses to the request for comment.

9. Payments and Gifts

N/A

10. Assurance of Confidentiality of Responses.

There is no assurance of confidentiality; however, the information contained in BSA reports is subject to stringent dissemination restrictions and is not subject to disclosure under the Freedom of Information Act.

11. Justification of Sensitive Questions.

There are no questions of a sensitive nature in the collection of information. The information requested concerns the identification of persons and circumstances surrounding financial transactions.

12. Estimated hourly annual burden.

Reports of foreign financial accounts (31 CFR 103.24, 103.27(d), 103.32) and Form TD F 90-22.1, Report of Foreign Bank and Financial Accounts.

Frequency: As required

Form Number: TD F 90-22.1.

Estimated Number of Respondents: 400,000

Estimated Number of Annual Responses: 400,000.

Estimate of Burden: Reporting average of 45 minutes per response; recordkeeping average of 30 minutes per response for a total of 75 minutes.

Estimate of Total Annual Burden on Respondents: 500,000 hours

Estimates were based on time taken to read the instructions and complete the form.

13. Estimated Annual Cost to Respondents for Hour Burdens.

Not Applicable

14. Estimated Annual Cost to the Federal Government.

Not Applicable

15. Reason for Change in Burden.

The burden reduction is the result of the removal and reallocation of non-FBAR recordkeeping and reporting burden from this control number to existing and newly

assigned control numbers.

16. Plans for Tabulation, Statistical Analysis, and Publication.

Not Applicable

17. Request not to Display Expiration Date of OMB Control Number.

FinCEN requests that the expiration of the control number for Form TD F 90-22.1 not be printed on the form to avoid having to reprint the form solely for changes in expiration dates.

18. Exceptions.

There are no exceptions to the certification statement on OMB Form 83-1.