

Supporting Statement
Bank Secrecy Act Currency Transaction Report
OMB Control Number 1506-00XX

1. Circumstances Necessitating Collection of Information.

The collection of the information contained on the Bank Secrecy Act Currency Transaction Report (FinCEN Form 112) is authorized by statute (see 31 U.S.C. 5313(a)) and required by regulation (see 31 CFR 1010.311 and 1010.313). The regulation requires the reporting of transactions in currency by, through, or to a financial institution in excess of \$10,000 during a single day.

Financial institutions as defined in 31 U.S.C. 5312(a)(2) and 31 CFR 1010.100 are subject to the currency transaction reporting requirement. This collection is required under 31 CFR 1010.311 and 31 CFR 1021.311(a)-(c), 31 CFR 1010.313 (a) & (b), 31 CFR 1021.313, and 31 CFR 1020.315(a)-(i). The Bank Secrecy Act Currency Transaction Report (FinCEN Form 112) is the form financial institutions use to comply with the currency transaction reporting requirements.

2. Method of Collection and use of data.

The information contained on FinCEN Form 112 is used by criminal investigators, as well as taxation and regulatory enforcement authorities, during the course of investigations that involve money laundering, tax violations, fraud and other financial crimes.

3. Use of Improved Information Technology to Reduce Burden.

Currently, 77% of these forms are filed using automated technology. FinCEN is working with the Internal Revenue Service's Enterprise Computing Center-Detroit (ECC-D) and BSA filers to increase this figure.

4. Efforts to Identify Duplication.

There is no similar information available; thus, there is no duplication.

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.

This collection of information occurs after a financial institution's customer conducts a currency transaction in excess of \$10,000 during a single day. A financial institution must file FinCEN Form 112 for each transaction in currency involving either currency received (Cash In) or currency disbursed (Cash Out) of more than \$10,000 during a

single day. Were this collection to be reduced in frequency, the information collected would be of lesser use to law enforcement personnel.

7. Special Circumstances Requiring Data Collection Inconsistent with Guidelines.

There are no special circumstances.

8. Consultation with Individuals Outside of the Agency on Availability of Data, Frequency of Collection, Clarity of Instructions and Forms, and Data Elements.

The Paperwork Reduction Act 60-day notice was published on January 26, 2011, (see 76 FR 4747). The notice proposed a new dynamic form and database that will support, FinCEN Form 112. FinCEN received 38 comments from eleven respondents in response to this notice. The comments and the FinCEN response may be reviewed in the attached public comments listing. Additionally, the individual comments may be viewed at http://www.fincen.gov/statutes_regs/frn/ "Comments Received March 26, 2011"

Generally the comments were supportive of moving to a dynamic electronic form filing system. Some concern with the new database was evident but no over-riding issues were noted. It was generally stated that respondents were concerned with training and lead time to migrate to the new system.

FinCEN agrees that a compliance deadline that will provide for training on the new system will be required. To support this FinCEN will provide all filling institutions with the electronic file specifications to include the XML schema and ACS II formats. FinCEN also plans to host several webinars as an aid to understanding the new system.

Several respondents suggested the estimated burden did not reflect the true burden for completing a report. Based on a review of available dynamic forms FinCEN believes its estimate is accurate. FinCEN also notes that one commenter noted that it was not able to provide an accurate review of the burden because the form is new. We agree with the difficulty in making an assessment and the estimated burden will be adjusted as necessary when the number of filings presents FinCEN with more factual information. The burden was computed based on the vast majority of the FinCEN Form 103/104s filed, which are in response to single transactions. FinCEN recognizes that additional burden affecting currency transaction reporting exists. This burden is associated with the following rules: 31 CFR 1010.306, and 1010.312 which are included in OMB Control Numbers 1506-0004 and 0005.

The comments and the FinCEN response may be reviewed in the posted public response document with this posting.

9. Payments and Gifts.

No payments or gifts were made to respondents.

10. Assurance of Confidentiality of Responses.

Information collected on FinCEN Form 112 is made available, in accordance with strict safeguards, to appropriate criminal law enforcement, regulatory, and taxation personnel solely in the official performance of their duties.

11. Justification of Sensitive Questions.

No sensitive questions are asked.

12. Estimated Annual Hourly Burden.

Frequency: As required.

Estimated Number of Respondents: 82,225 (Includes casinos and card clubs, depository institutions, broker-dealers, future commission merchants, introducing brokers in commodities, money services businesses, and mutual funds)¹

Estimated Number of Annual Responses: 14,103,070².

Estimate of Burden: Reporting average of 20 minutes per response; recordkeeping average of 20 minutes per response for a total of 40 minutes.

Estimate of Total Annual Burden on Respondents: 9,402,046 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 adjustments contained in item 12 stem from the increase in frequency of reporting by financial institutions.

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

¹ The following OMB Control numbers will be reduced to a burden of one (1) hour each in order to maintain the rule active: 1506-0004 (31 CFR 1010.311), and 1506-0005 (31CFR 1021.311).

² Numbers are based on actual 2010 filings as reported to the IRS Enterprise Computing Center-Detroit (EEC-D) as of 12/31/2010. This number reflects the total number of filings for both the CTR and CTFC

This collection of information will not be published.

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

To avoid having to reprint the form to show a new date, FinCEN is requesting permission not to display the OMB expiration date on FinCEN Form 104.

18. Exceptions.

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