

Supporting Statement

Additional records to be made and retained by brokers or dealers in securities  
OMB Control Number 1506-0053

**1. Circumstances Necessitating Collection of Information**

The statute generally referred to as the “Bank Secrecy Act,” Titles I and II of Public Law 91-508, as amended, codified at 12 U.S.C. 1829b, 12 U.S.C. 1951-1959, and 31 U.S.C. 5311-5332, authorizes the Secretary of the Treasury, *inter alia*, 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.<sup>1</sup> Regulations implementing Title II of the Bank Secrecy Act appear at 31 Chapter X. The authority of the Secretary to administer the Bank Secrecy Act (BSA) has been delegated to the Director of the Financial Crimes Enforcement Network (FinCEN).

A broker or dealer in securities must retain an original or copy of certain documents, as specified in section 1023.410. The required records must be maintained for five years (31 CFR 1010.430).

**2. Method of Collection and Use of Data**

This is a recordkeeping requirement. Should FinCEN issue regulations under this authority, it will provide a burden estimate specific to those regulations. Currently there is no reporting requirement.

**3. Use of Improved Information Technology to Reduce Burden**

Not applicable

**4. Efforts to Identify Duplication**

Not applicable

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

Not applicable

**6. Consequences to the Federal Government of Not Collecting the Information**

Not applicable

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<sup>1</sup> Language expanding the scope of the Bank Secrecy Act 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.

**7. Special Circumstances Requiring Data Collection Inconsistent with Guidelines**

Regulations under 31 CFR 1010.430, require records be kept for 5 years. This retention period is necessary to substantiate violations that have occurred within the statute of limitations (5 or 6 years).

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

On May 29, 2014, FinCEN issued a notice and request for comment to renew without change this potential requirement (See 79 FR 30928). We received no comments in response to the Federal Register notice.

**9. Payments and Gifts**

No payments or gifts were made to respondents.

**10. Assurance of Confidentiality of Responses.**

Information collected under 31 U.S.C. 5311 -5332 may be made available to appropriate law enforcement agencies and supervisory agencies.

**11. Justification of Sensitive Questions**

This is a recordkeeping requirement. Information collection requirements by covered financial institutions are mandated by the USA Patriot Act of 2001 and/or BSA.

**12. Estimated Annual Hourly Burden**

Frequency: As required

Burden: The estimated number of recordkeepers is 8,300. The estimated annual recordkeeping burden per recordkeeper is 100 hours, for a total estimated annual recordkeeping burden of 830,000 hours.

**13. Estimated Annual Cost to Respondents for Hour Burdens**

Not required

**14. Estimated Annual Cost to the Federal Government**

Not required

**15. Reason for Change in Burden**

Not applicable

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

This collection of information will not be published.

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

FinCEN requests that it not be required to display the expiration date so that the regulations will not have to be amended for the new expiration date every three years.

**18. Exceptions**

There are no exceptions to the certification statement.