

Supporting Statement
OMB Control Number 1506-0066

Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010
("CISADA") Reporting Requirements Under Section 104(e) (31 CFR 1060.300 and
31 CFR Chapter X)

1. Circumstances Necessitating Collection of Information.

The Financial Crimes Enforcement Network ("FinCEN"), to comply with the congressional mandate to prescribe regulations under section 104(e) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 ("CISADA") and consistent with its statutory mission under 31 U.S.C. 310, issued regulations that would require a U.S. bank that maintains a correspondent account for a foreign bank to inquire of the foreign bank, and report to FinCEN certain information with respect to transactions or other financial services provided by that foreign bank. Under the rule, U.S. banks are only required to report this information to FinCEN upon receiving a specific written request from FinCEN. The regulations implementing section 104(e) of CISADA appear at 31 CFR 1060.300. Banks may satisfy these requirements by using the model certification found on FinCEN's website at http://www.fincen.gov/statutes_regs/frn/pdf/CISADA_Certification.pdf. Records of documents relied upon by a bank for purposes of 1060.300 must be maintained for at least five years after the date the request from FinCEN is issued.

2. Method of Collection and Use of Data.

The information received as a result of this rulemaking will be used primarily to provide FinCEN with potentially useful information from U.S. banks regarding the nature of foreign bank activities that may be relevant to CISADA. Based on the reports, immediate action may be taken under section 104(c) of CISADA, or, among other things, there may be consultation with those foreign banks that maintain correspondent accounts for Iranian-linked financial institutions designated under International Emergency Economic Powers Act (IEEPA), that have processed one or more transfers of funds for or on behalf of, directly or indirectly, an Iranian-linked financial institution or an Iran Revolutionary Guard Corps (IRGC)-linked person designated under IEEPA, or that have been unwilling to respond to inquiries from the banks at which the foreign banks maintain correspondent accounts.

3. Use of Improved Information Technology to Reduce Burden.

Use of improved information technology would not significantly reduce burden.

4. Efforts to Identify Duplication.

No Federal agency currently collects this information.

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

No impact on small businesses. Banks that are subject to this rule tend to be large institutions.

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

Under the rule, banks are only required to report this information to FinCEN upon receiving a specific written request from FinCEN. FinCEN targets this reporting requirement on those foreign banks that there is some basis to suspect may be engaged in activities that may be sanctionable under section 104(c) of CISADA. FinCEN requires reports from those banks that maintain correspondent accounts for the specific foreign banks that are of interest for purposes of CISADA implementation. Less frequent collection of this information would frustrate efforts to implement CISADA.

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.

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

On July 15, 2014, FinCEN published a 60-day notice in the Federal Register (79 FR 41360) inviting public comment on the renewal without change to this information collection. FinCEN received no comments.

9. Payments and Gifts.

No payments or gifts were made to respondents.

10. Assurance of Confidentiality of Responses.

Disclosure of information provided by foreign banks to U.S. banking institutions is governed by the policies of the U.S. banking institutions and their regulators.

11. Justification of Sensitive Questions.

There are no questions of a sensitive nature in the collection of information. Any personal identifying information (“PII”) collected under the Bank Secrecy Act (BSA) is strictly controlled as outlined in the FinCEN’s Systems of Records Notice http://www.fincen.gov/foia/files/FinCEN_79_FR_20969.pdf.

12. Estimated Annual Hourly Burden.

Burden: The total estimated annual burden of 2825 (2700 + 125) hours is as follows:

- a. FinCEN estimates that approximately 350 banks maintain correspondent accounts for foreign banks. The maximum expected CISADA-related reports in any year is 900 (provided by a varying number of banks) multiplied by three burden hours per report reflecting 2700 annual burden hours.
- b. Approximately 250 reports from banks that do not maintain a correspondent account with a specified foreign bank (provided by a varying number of banks) multiplied by 30 minutes of burden per e-mail report resulting in 125 annual burden hours.

13. Estimated Annual Cost to Respondents for Hourly Burdens.

Not Required.

14. Estimated Annual Cost to the Federal Government.

Not Applicable.

15. Reason for Change in Burden.

There is no change to the currently approved burden.

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 date of the control number of the regulation not be displayed so that the regulation will not have to be amended every three years just to reflect the change in the expiration date. This request will not affect the normal three-year PRA renewal process.

18. Exceptions.

There are no exceptions to the certification statement.