

SUPPORTING STATEMENT
OMB 1505-0167
Persons Providing Remittance Forwarding Services

This filing contains the information required by the Office of Management and Budget pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. 3501-3521, and 5 CFR Part 1320.

A. Justification.

1. Circumstances Making the Collection Necessary.

This application is submitted to revise the information collection authority pertaining to the Cuban Assets Control Regulations set forth in 31 CFR Part 515 (the "Regulations"). The Regulations are implemented pursuant to the Trading With the Enemy Act (50 U.S.C. App. 1-44) and other applicable statutes. This information is required by the Office of Foreign Assets Control (OFAC) to implement its compliance and enforcement programs with respect to regulatory requirements regarding monetary remittances to Cuba.

Before January 16, 2015, OFAC regulated remittance forwarders (RFs) that were authorized by OFAC to engage in limited and regulated business activity in connection with forwarding remittances to Cuba. OFAC also previously collected certain personal data about persons sending remittances to Cuba from the RFs.

As a result of policy changes announced by the President on December 17, 2014, which were implemented in regulatory changes published by OFAC on January 16, 2015 (80 FR 2291), persons subject to U.S. jurisdiction are authorized by general license to send the following types of remittances:

- (a) unlimited remittances to nationals of Cuba who are close relatives (such remittances may not be made from a blocked source, to prohibited officials of the Government of Cuba or prohibited members of the Cuban Communist Party, or for emigration-related purposes, and individual remitters must be 18 years of age or older);
- (b) periodic remittances to Cuban nationals that do not exceed \$2,000 per quarter per recipient (such remittances may not be made from a blocked source, to prohibited officials of the Government of Cuba or prohibited members of the Cuban Communist Party, or for emigration-related purposes, and individual remitters must be 18 years of age or older);
- (c) unlimited remittances to religious organizations in Cuba in support of religious activities (such remittances may not be made from a blocked source, and individual remitters must be 18 years of age or older);
- (d) remittances to close relatives who are students in Cuba pursuant to general or specific licenses authorizing certain educational activities (such remittances may not be made from a blocked source and must be for the purpose of funding licensed education-related transactions, and individual remitters must be 18 years of age or older);

- (e) remittances to support humanitarian projects in or related to Cuba that are designed to directly benefit the Cuban people, as set forth in §515.575(b); to support the Cuban people through activities of recognized human rights organizations, independent organizations designed to promote a rapid, peaceful transition to democracy, and activities of individuals and non-governmental organizations that promote independent activity intended to strengthen civil society in Cuba; and to support the development of private businesses, including small farms (such remittances may may not be made from a blocked source, and must be made to individuals or independent non-governmental entities in Cuba, including pro-democracy groups and civil society groups, or to members of such groups or organizations); and
- (f) two one-time \$1,000 emigration-related remittances per payee.

The Regulations further provide that certain remittances from blocked sources are authorized in some circumstances and that other types of remittances may be authorized by specific license. RFs historically have maintained records of such information. To ensure uniform and consistent compliance by persons providing remittance forwarding services, OFAC requires banking institutions providing remittance forwarding services authorized pursuant to § 515.572 to retain for at least five years from the date of the transaction a certification from each customer indicating the section of 31 CFR Part 515 that authorizes the person to send remittances to Cuba. In addition, remittance forwarders must maintain on file the names and addresses of individual travelers or remitters, the number and amount of each remittance, and the name and address of each recipient, as applicable.

2. Purpose and Use of the Information Collected.

The information collected is used by OFAC to implement its compliance and enforcement programs pursuant to the Regulations, including with respect to whether remitters are exceeding the restrictions on the frequency, payees, and dollar amounts of remittances. Specifically, banking institutions providing remittance forwarding services are required to collect from persons who use such services a certification indicating the relevant remittance provisions of the Regulations. Such banking institutions will retain this information on file for five years, subject to audit by the U.S. Department of the Treasury for compliance, civil penalty, and enforcement purposes. Specifically, the information may be requested by OFAC to verify that persons sending remittances to Cuba were licensed by OFAC to do so and facilitate OFAC's addressing of potential violations of the Regulations.

3. Consideration Given to Information Technology.

The use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology is not applicable to this collection. Banking institutions providing remittance forwarding services determine how to gather and retain the certification showing compliance with the relevant remittance provisions of the Regulations from those wishing to send remittances to Cuba.

4. Duplication of Information.

Generally, the information that OFAC requires pertains to a person and is not available other than if obtained from each person. Each individual certification is separate and unique. Thus, there is no duplication of records.

5. Reducing the Burden on Small Entities.

The storage of the required certification showing compliance with the relevant remittance provisions of the Regulations for five years will affect small banking institutions providing remittance forwarding services, but this requirement is not expected to be onerous.

6. Consequences of not Conducting Collection.

The information collected is used primarily by the Treasury Department for compliance and enforcement purposes. This information is used to determine whether transactions are conducted consistent with the regulatory authorization. Without these collections of information, provisions for authorizing otherwise prohibited transactions cannot be monitored and enforced.

Generally, the information could not be collected less frequently unless it was not collected at all. A certification is only collected when a person is providing authorized remittance forwarding services. To collect the information less frequently would result in incomplete records of funds remitted to Cuba, prevent OFAC from ensuring compliance with the Regulations, and jeopardize potential civil penalty or other enforcement actions.

7. Special Circumstances.

- *Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years;*

The Reporting, Procedures and Penalties Regulations, 31 CFR Part 501, require the retention of records for five years from the date of a restricted transaction subject to the provisions of 31 CFR chapter V or from the date that blocked property is unblocked. Under § 501.601, the requirement for five years of record retention beyond a transaction corresponds to the statute of limitations set forth in 28 U.S.C. 2462.

- *That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use;*

The information requested may include personal identification information needed for law enforcement purposes. OFAC will ensure that this information will not be publicly released except to the extent allowed by law. Information will only be released in accordance with the criteria for disclosure set forth in the Privacy Act, the Freedom of Information Act, and, as applicable, the Trade Secrets Act. Information about OFAC's privacy practices has been issued under OFAC's Privacy Act system of records notice: Treasury/DO .120 – Records Related to Office of Foreign Assets Control Economic Sanctions (75 FR 61853).

- *Requiring respondents to submit proprietary trade secret, or other confidential*

information unless the bureau can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

The information requested is personal identification information for law enforcement purposes. Moreover, it is the policy of OFAC to protect the confidentiality of information in appropriate cases pursuant to the exemptions from disclosure provided under the Freedom of Information Act and consistent with the Privacy Act and Trade Secrets Act.

There are no other special circumstances. The collection of information is conducted in a manner consistent with the guidelines in 5 CFR 1320.5.

8. Consultation with Persons Outside the Agency.

This request is being submitted for emergency processing. A Federal Register notice soliciting comments will be submitted pursuant to this process.

9. Payment or Gift.

Respondents receive no payment or gifts for completing or retaining the certifications.

10. Confidentiality.

The information requested may include personal identification information needed for law enforcement purposes. OFAC will ensure that this information will not be publicly released except to the extent allowed by law. Information will only be released in accordance with the criteria for disclosure set forth in the Privacy Act, the Freedom of Information Act, and, as applicable, the Trade Secrets Act. Information about OFAC's privacy practices has been issued under OFAC's Privacy Act system of records notice: Treasury/DO .120 – Records Related to Office of Foreign Assets Control Economic Sanctions (75 FR 61853).

11. Questions of a Sensitive Nature.

The forms make no request for sensitive information of this type. In addition, a privacy impact assessment (PIA) has been conducted for information collected under this request and a Privacy Act System of Records notice (SORN) has been issued for this system under DO .120 – Records Related to Office of Foreign Assets Control Economic Sanctions.

12. Burden of Information Collection.

The anticipated number of respondents is 4,000,000. It is anticipated that, of those, 1,000,000 will file four times annually (4,000,000 filings), and 3,000,000 will file once a year (3,000,000 filings), totaling to 7,000,000 filings. It is anticipated that the time required to complete the certification is approximately one minute. At one minute each, the certifications to be completed by individuals under a general authorization in the Regulations will take approximately 7,000,000 minutes (116,667 hours) annually in the aggregate. The record keeping burden will be addressed in OMB 1505-0164.

13. Annual Cost to Respondents.

The burden imposed on banking institutions providing remittance forwarding services by this information collection requirement is minimal as the certification that is collected and stored for each relevant transaction may be in any form, as determined by such banking institutions. At one minute per certification, there is no practical cost associated with this burden.

14. Cost to the Federal Government.

There is no cost to the U.S. Government attributable to this information collection effort that would not have been incurred without the paperwork burden.

15. Reason for Change.

On January 16, 2015, OFAC amended the Regulations to implement certain policy changes announced by the President on December 17, 2014 to further engage and empower the Cuban people. Among other changes, OFAC generally authorized certain entities to forward authorized remittances and modified the information collection requirements on these remittance forwarders. See 31 CFR § 515.572(a). Separately, OFAC removed the suggested form TD F 90-22.52 (Cuban Remittance Affidavit) for the collection of that information, as in the information collection request currently approved by OMB (No. 1505-0167). In addition, OFAC raised the limit on periodic remittances to Cuba from \$500 in any consecutive three-month period to \$2,000 in any consecutive three-month period. As to information collection requirements, OFAC previously required RFs to collect information showing compliance with relevant remittance provisions and/or provide a voluntary remittance affidavit form including, within the relevant category of authorized remittance, the name of the recipient (and if applicable, relation, date of birth, visa number/date), remitter's address, contact info, mother's maiden name, and date of birth. OFAC now requires only that persons subject to U.S. jurisdiction providing remittance forwarding services authorized pursuant to 31 CFR § 515.572 retain for at least five years from the date of the transaction a certification from each customer indicating the section of 31 CFR part 515 that authorizes the person to send remittance to Cuba. In addition, banking institutions providing remittance forwarding services must maintain on file the names and addresses of individual remitters, the number and amount of each remittance, and the name and address of each recipient, as applicable.

OFAC anticipates that the regulatory amendments raising the limits on and generally authorizing certain additional categories of remittances will increase the number of filers. OFAC anticipates that because it requires signing a certification, the time burden of the information collection for each filer is one minute per filing, which is the same as before. OFAC anticipates that the time burden of the information collection overall, therefore, has increased, due solely to the anticipated increased number of filers. Because OFAC has simplified its requirements, and no longer requires regular reports to OFAC, OFAC anticipates that the burden imposed on banking institutions providing remittance forwarding services has decreased.

16. Tabulation of Results, Schedule, and Analysis Plans.

Results will not be published.

17. Display of OMB Approval Date.

Not applicable.

18. Exceptions to Certification For Paperwork Reduction Act Submission.

There are no exceptions to the certification statement.

B. Collections of Information Employing Statistical Methods.

Not applicable.