

Supporting Statement
Records to be made and retained by financial institutions
OMB Control Number 1506-0058

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.¹ Regulations implementing Title II of the Bank Secrecy Act appear at 31 CFR 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).

Each covered financial institution must retain an original or a copy of records related to extensions of credit in excess of \$10,000 (other than those secured by real property), and records related to transfers of funds, currency, other monetary instruments, checks, investment securities, or credit of more than \$10,000 to or from the United States (31 CFR 1010.410(a)-(c)). Banks and non-bank financial institutions must also maintain records related to, and include certain information as part of, funds transfers or transmittals of funds involving more than \$3,000 (31 CFR 1020.410(a), and 1010.410(f & g)). 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 requiring reporting 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. This is a recordkeeping requirement.

4. Efforts to Identify Duplication

There is no duplication. This is a recordkeeping requirement

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

¹ 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.

All financial institutions are required to maintain records in accordance with the BSA.

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

This is a financial institution recordkeeping requirement.

7. Special Circumstances Requiring Data Collection Inconsistent with Guidelines

Regulations under 31 CFR 1010.430, require records must 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 July 7, 2017, FinCEN issued a notice and request for comment to renew without change this potential requirement (See 82 FR 31686). 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 the BSA.

12. Estimated Annual Hourly Burden

Frequency: As required

Burden: 31 CFR 1010.410(a)-(d). The estimated number of recordkeepers is 22,900. The estimated annual recordkeeping burden per recordkeeper is 50 hours, for a total estimated annual recordkeeping burden of 1,145,000 hours.

31 CFR 1010.410(e). The estimated number of recordkeepers is 35,500. The estimated annual recordkeeping burden per recordkeeper is 16 hours, for a total estimated annual recordkeeping burden of 568,000.

31 CFR 1010.410(f & g). The estimated number of recordkeepers is 35,500. The estimated annual recordkeeping burden per recordkeeper is 12 hours, for a total estimated annual recordkeeping burden of 426,000.

31 CFR 1022.420. The estimated number of recordkeepers is 700. The estimated annual recordkeeping burden per record-keeper is 16 hours, for a total estimated annual recordkeeping burden of 11,200.

Total Recordkeeping Burden. 2,150,200 hours

13. Estimated Annual Cost to Respondents for Hour Burdens

31 CFR 1010.410(a)-(d): 1,145,000 hours X \$17.91 = \$20,506,950²

31 CFR 1010.410(e): 568,000 hours X \$17.91 = \$10,172,880³

31 CFR 1010.410(f & g): 426,000 hours X \$17.91 = \$7,629,660⁴

31 CFR 1022.420: 11,200 hours X \$17.91 = \$200,592⁵

14. Estimated Annual Cost to the Federal Government

There is no cost to the government; this is a recordkeeping requirement only.

15. Reason for Change in Burden

There is no change in burden.

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.

² The Average Hourly Wage Rate is calculated from the May 2016 Bureau of Labor Statistics average wage for "Office and administrative Support Occupations" of \$17.91.

³ Ibid.

⁴ Ibid.

⁵ Ibid.

