

Supporting Statement  
Reports of certain domestic coin and currency transactions  
OMB Control Number 1506-0056

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 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).

Upon a finding that additional reporting or recordkeeping is necessary to carry out the purposes, or prevent the evasion, of the BSA, Treasury may issue an order requiring financial institutions, or groups of financial institutions, in certain geographic locations to report certain transactions in prescribed amounts for a limited period of time (31 CFR 1010.370). Financial institutions subject to a geographic targeting order must maintain records for such period of time as the order requires, but not more than 5 years (31 CFR 1010.410(d)).

2. Method of Collection and Use of Data

This is a recordkeeping and reporting requirement. FinCEN issued regulations requiring reporting under this authority (See 31 CFR 1010.370). The burden for reporting and recordkeeping is provided in item 12.

3. Use of Improved Information Technology to Reduce Burden

All responses to this requirement are reported electronically through the FinCEN BSA E-Filing system.

4. Efforts to Identify Duplication

There is no duplication.

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

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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.

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

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

If the Federal Government failed to receive this information, law enforcement and regulatory efforts to fight crime and protect the safety and soundness of the U.S. financial system would be severely hampered.

#### 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 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

There are no questions of a sensitive nature in the collection of information. Any personally identifiable information (“PII”) collected under the 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](http://www.fincen.gov/foia/files/FinCEN_79_FR_20969.pdf). BSA reports are not subject to FOIA requests.

#### 12. Estimated Annual Hourly Burden

Frequency: As required

Burden: The estimated number of respondents per year is 3,200. The estimated number of responses is 19,200, with a reporting burden of 20 minutes per response and a

recordkeeping burden of 5 minutes per response. The total estimated annual burden is 8000 hours.<sup>2</sup>

13. Estimated Annual Cost to Respondents for Hour Burdens

6 responses X 25 minutes per response = 2.5 hours X \$33.77 per hour = \$84<sup>3</sup>

Total 8000 hours X \$33.77 per hour = \$270,160

14. Estimated Annual Cost to the Federal Government

19,200 responses X \$0.10 per response = \$1,920

15. Reason for Change in Burden

FinCEN issued several geographical targeting orders that require financial institutions to report thus resulting in a burden change. This change is expected to continue as law enforcement requirements are addressed.

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.

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<sup>2</sup> Although the burden is stated as an annual burden (19,200 X 25 / 60 = 8000 hours) in accordance with the Paperwork Reduction Act, the estimated annual burden is not intended to indicate that there is a geographic targeting order in effect throughout a year or in each year

<sup>3</sup> The above Average Hourly Wage Rate is calculated from the May 2016 Bureau of Labor Statistics average wage for "13-1041 Compliance Officers" of \$33.77.