

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 a regulation requiring 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 regulation implementing section 104(e) of CISADA appears at 31 CFR 1060.300. Banks may satisfy these requirements by using the model certification found on the FinCEN website at [https://www.fincen.gov/sites/default/files/federal\\_register\\_notice/CISADA\\_Certification.pdf](https://www.fincen.gov/sites/default/files/federal_register_notice/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.

Any 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 Islamic 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 other 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 of less frequent collection on Federal programs or policy activities.

Under the rule, banks will only be required to report this information to FinCEN upon receiving a specific written request from FinCEN. 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 to be inconsistent with guidelines in 5 CFR 1320.5(d)(2).

The recordkeeping requirement specifies that banks retain records for five 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, and clarity of instructions and forms, and data elements.

On May 2, 2018, FinCEN published a 60-day notice in the Federal Register (83 FR 19402) inviting public comment on the renewal without change to this information collection. FinCEN received three anonymous comments. The comments did not address the information collection and therefore, the comments were not considered.

9. Explanation of decision to provide any payment or gift to respondents.

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 collected under the Banking 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](http://www.fincen.gov/foia/files/FinCEN_79_FR_20969.pdf).

12 & 13. Estimated burden & cost of information collection.

FinCEN estimates that approximately 350 banks maintain correspondent accounts for foreign banks.

Up to 900 CISADA-related reports anticipated each year<sup>1</sup> (provided by a varying number of banks) multiplied by three burden hours per report (2,700 total annual burden hours).

Estimated burden cost: 2,700 hours X \$63.53 per hour = \$171,531.<sup>2</sup>

Approximately 250 reports from banks that do not maintain a correspondent account with a specified foreign bank<sup>3</sup> (provided by a varying number of banks) multiplied by 30 minutes of burden per report (125 total annual burden hours).

Estimated burden cost: 125 hours X \$63.53 per hour = \$7,941.<sup>4</sup>

Total burden hours: 2,825.

Total cost: \$179,472.

Information Collection	# of Respondents	Annual # of Responses per Respondent	Total Responses	Hours per response	Total Hours	Labor Cost per Hour	Total Labor Costs
CISADA Reports	18	50	900	3	2,700	\$63.53	\$171,531
Other	5	50	250	0.5	125	\$63.53	\$7,941
<b>TOTAL</b>			<b>1,150</b>		<b>2,825</b>		<b>\$179,472</b>

There are no non-labor costs associated with this collection of information.

<sup>1</sup> FinCEN estimates that approximately 350 banks maintain correspondent accounts for foreign banks. However, FinCEN estimates that only five percent of those banks (i.e., approximately 18 banks) would have an account with any one specific foreign bank about which FinCEN may request information. FinCEN anticipates that it may make requests with respect to up to 50 foreign banks per year. (18 banks x 50 requests per annum = 900 reports)

<sup>2</sup> The above Average Hourly Wage Rate is calculated from the May 2017 Bureau of Labor Statistics average hourly wage for “13-2061 Financial Examiners” of \$44.12, plus an additional 44% for benefits to produce a fully-loaded rate of \$63.53.

<sup>3</sup> FinCEN estimates that across the 50 requests it may make annually, on average two to five banks would receive a request from FinCEN regarding a foreign bank for which they do not maintain a correspondent account, and for which FinCEN requests that they report such information. This means that approximately 250 banks (5 banks x 50 request) would be required to report that they do not maintain a correspondent account for a foreign bank specified in a request from FinCEN in any given year.

<sup>4</sup> *Ibid.*

14. Estimated annualized cost to the government.

These responses will be emailed via secure email to the requesting office. Thus, there is no processing cost to the government.

15. Reasons for change in burden.

There is no change to the currently approved burden.

16. Plans for tabulation, statistical analysis and publication.

The information collected will not be compiled for publication.

17. Request not to display the OMB expiration date.

FinCEN requests that the expiration date of the control number of the regulation not be displayed so that there is no confusion as to whether the certification form is still valid. This request will not affect the normal 3-year PRA renewal process.

18. Exceptions to the certification statement.

There are no exceptions to the certification statement.