

Supporting Statement
OMB Control Number 1506-0013

Registration of Money Services Business

1. Circumstances necessitating collection of information.

The statute generally referred to as the “Bank Secrecy Act,” (“BSA”) 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, among other things, 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 BSA appear at 31 CFR Chapter X. The authority of the Secretary to administer the BSA has been delegated to the Director of the Financial Crimes Enforcement Network (“FinCEN”).

The collection of the information contained on FinCEN’s Registration of Money Services Business (“MSB”) form (FinCEN Form 107) is authorized by statute (see 31 U.S.C. 5330) and required by regulation (see 31 CFR 1022.380). The regulation requires MSBs, as defined in 31 CFR 1010.100(ff), to register with the Department of the Treasury.

2. Method of collection and use of data.

MSBs must complete their registration on FinCEN’s BSA E-Filing System web page, located at <https://bsaefiling.fincen.treas.gov/main.html>.

The information contained on FinCEN Form 107 is used by criminal investigators, as well as taxation and regulatory enforcement authorities, during the course of investigations that involve potential money laundering, tax violations, fraud, and other financial crimes.

3. Use of improved information technology to reduce burden.

By using FinCEN’s computerized filing system (BSA E-filing), an MSB can reduce the time required for its compliance staff to complete the report. Discrete and batch versions are available on the FinCEN BSA E-File web site at <http://bsaefiling.fincen.treas.gov/main.html>.

4. Efforts to identify duplication.

There is no similar information available; thus, there is no duplication.

5. Methods to minimize burden on small businesses or other small entities.

¹ Language expanding the scope of the BSA 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 (“USA PATRIOT Act”).

This collection of information does not unduly impact small entities.

6. Consequences to less frequent collections or policy activities.

A MSB must file Form 107 within 180 days of when the business is established and renew it every two years. Were this collection to be reduced in frequency, the information collected would not be of use to law enforcement personnel.

7. Special circumstances requiring data collection inconsistent with guidelines in 5 CFR 1320.5(d)(2).

There are no special circumstances.

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 19, 2018, FinCEN issued a notice and request for comment to renew existing MSB registration requirements. (See 83 FR 34299). FinCEN received two comments in response to this notice. One did not address the subject of the information collection, and is omitted here. The other comment received was from the Money Services Business Association (“MSBA”).

The MSBA did not address the time burden of the information collection instruments. However, the MSBA made several suggestions for changes to the regulations governing the registration of MSBs.

The MSBA suggested clarifications to the regulations in order to more clearly define the registration requirements of agents (31 CFR 1022.380(a)(3)); a change to the length of the renewal period and publication of re-registration due dates for greater clarity (31 CFR 1022.380(b)(4)); redefining the definition of “check cashier” by raising the registration threshold for check cashers from \$1,000 to \$3,000 (31 CFR 1010.100(ff)(2)); and providing guidance on the registration requirements for foreign-located MSBs and correspondents (31 CFR 1022.380(a)(2)).

The MSBA also suggested amendments to the FinCEN Form 107, including adding additional fields to the form in order to provide more information on beneficial ownership. The MSBA also believes additional fields would provide more clarity on MSB activities, and the registration requirements for those activities, in a given state. In addition, the MSBA requests that FinCEN ensure the form is accessible and usable with a wide variety of computer software.

Lastly, the MSBA commented on the FinCEN Suspicious Activity Reports (“SAR”) requirements. The OMB control numbers for MSB SAR requirements are 1506-0015 and 1506-0065. FinCEN will note the MSBA’s requests for further clarification when working with these OMB control numbers. In addition, the MSBA’s comments will also be incorporated into FinCEN’s retrospective regulatory review process, as mandated by E.O. 12866 and 13563.

FinCEN would like to thank the MSBA for their comments concerning the registration process of MSBs.

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.

Information collected on FinCEN Form 107 is made available, in accordance with strict safeguards, to appropriate criminal law enforcement, regulatory, and taxation personnel solely in the official performance of their duties.

11. Justification of sensitive questions.

There are no questions of a sensitive nature in the collection of information. Any personally identifiable information collected under the BSA is strictly controlled as outlined in FinCEN’s Systems of Records Notice http://www.fincen.gov/foia/files/FinCEN_79_FR_20969.pdf.

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

FinCEN estimates that approximately 42,000 MSBs each year will meet the criteria requiring them to register with FinCEN. FinCEN estimates that this information collection will require an average of 30 minutes per response and an additional recordkeeping average of 30 minutes per response for a total of 60 minutes per response.

Estimated burden cost: 42,000 hours X \$63.53 per hour = \$2,668,260.²

Total burden hours: 42,000.

Total cost: \$2,668,260.

Information Collection	# of Respondents	Annual # of Responses per Respondent	Total Responses	Hours per Response	Total Hours	Labor Cost per Hour	Total Labor Costs
MSB Registration	42,000	42,000	42,000	1	42,000	\$63.53	\$2,668,260
TOTAL			42,000		42,000		\$2,668,260

² 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.

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

14. Estimated annual cost to the Federal government.

Electronic processing cost to the Federal government for 42,000 responses X \$0.10 per response = \$4,200.³

15. Reason for change in burden.

The number of registered MSBs dropped since the last estimate; FinCEN estimates that the number will approach 42,000 again, but remain beneath the 43,400 estimate from the last renewal. The number of MSBs needing to register can vary, based on a given MSB's size of transaction and lines of business.

16. Plans for tabulation, statistical analysis, and publication.

FinCEN publishes some of the collected information to the public at <https://www.fincen.gov/msb-registrant-search>; this permits members of the public to ensure a given MSB is registered.

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 Paperwork Reduction Act renewal process.

18. Exceptions to the certification statement.

There are no exceptions to the certification statement.

³ Cost per response received as listed in the BSA E-Filing Federal contract for 2018.