

SUPPORTING STATEMENT
OMB Control No. 1505-0164
Reporting, Procedures and Penalties Regulations

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary.

This application is submitted for renewal and a request for a 3-year approval of a revision to the information collection authority pertaining to the Office of Foreign Assets Control's (OFAC) Reporting, Procedures and Penalties Regulations (31 CFR part 501) (the Regulations). OFAC is planning to issue a regulatory amendment making the revisions discussed below in April 2019 pending approval of this information collection authority by the Office of Management and Budget (OMB).

The Regulations are implemented pursuant to the Trading With the Enemy Act (50 U.S.C. App. 1-44), the International Emergency Economic Powers Act (50 U.S.C. 1701-1706), the United Nations Participation Act of 1945 (22 U.S.C. 287c), and other laws. The collections of information relevant to this request are contained in §§ 501.601 through 501.605, 501.801, and 501.804 through 501.807, and pertain to the operation of various economic sanctions programs administered by OFAC under 31 CFR chapter V.

Background on Regulatory Provisions

Section 501.601 relates to the maintenance of records and § 501.602 relates to demands for information relative to any transaction or property subject to the provisions of 31 CFR chapter V. Section 501.603 imposes reporting requirements pertaining to blocked property and retained funds, as well as property that is released from blocked status (unblocked property). This information is required by OFAC to monitor compliance with regulatory requirements, to support diplomatic negotiations concerning the targets of sanctions, and to support settlement negotiations addressing U.S. claims. Section 501.604 requires the filing of reports for compliance purposes by U.S. persons where a transaction is not required to be blocked but where processing or otherwise engaging in the transaction would nonetheless violate, or facilitate a transaction that is prohibited under, other provisions in 31 C.F.R. chapter V. Section 501.605 requires reporting of information pertaining to litigation, arbitration, and other binding alternative dispute resolution proceedings in the United States to prevent the intentional or inadvertent transfer through such proceedings of blocked property or retained funds. Sections 501.801, 501.804, and 501.805 relate, respectively, to license requests, rulemakings, and records requests. Section 501.806 sets forth the procedures to be followed by a person seeking to have funds released at a financial institution if the person believes that the funds were blocked due to mistaken identity. Section 501.807 sets forth the procedures to be followed by a person seeking administrative reconsideration of his, her, or its designation or of a vessel as blocked, or who wishes to assert that the circumstances resulting in the designation or blocking no longer apply.

Relevant Amendments to Regulatory Provisions and Accompanying Forms

OFAC is amending the Regulations to provide updated instructions and incorporate new requirements for parties filing reports on blocked property, unblocked property, or rejected transactions.

Revisions to § 501.603, which covers reports on blocked and unblocked property

- To provide greater detail regarding the information required to be provided to OFAC in connection with blocking reports and to expand this section to cover reports on unblocked property. As a general matter, in the past, when a submitter has not provided sufficient information to identify blocked property and to determine the authority or authorities under which the property was blocked, OFAC has requested follow-up information from the submitter, sometimes requiring multiple requests. OFAC is expanding its instructions on the information required to be submitted in reports on blocked property in an effort to reduce the need for follow up requests from OFAC and in order to lessen the overall reporting burden for submitters and to clarify what information is required.
- To provide additional information regarding the required format for submitting annual reports of blocked property. These changes are also being made in an effort to reduce the need for follow-up requests from OFAC in order to lessen the overall reporting burden for submitters.
- To allow for the submission of all reports on blocked or unblocked property by email, U.S. mail, or any other official reporting option, including electronic, as specified by OFAC on its website. In the near future, OFAC intends to make available to the public a new system for electronically reporting information to OFAC pursuant to §§ 501.603 and 501.604. The system will incorporate user management, audit, and reporting features to improve the quality of report data and facilitate regulatory compliance. Once made available to the public, the system will be voluntary and will collect the same information that is required pursuant to §§ 501.603 and 501.604. OFAC expects that many submitters may wish to take advantage of this streamlined system, as the system will likely reduce the time it takes for submitters to provide the required information to OFAC, and the system will provide submitters with an electronic confirmation that the report has been received and accepted by OFAC.

Revisions to § 501.604, which covers reports on rejected transactions

- To clarify that this section applies broadly to all rejected transactions (and not only to rejected funds transfers).
- To provide greater detail regarding the information required to be provided to OFAC in connection with reports on rejected transactions and where to report such information. OFAC is expanding its instructions on the information to be submitted in reports on

rejected transactions in an effort to reduce the need for follow up requests from OFAC and in order to lessen the overall reporting burden for submitters.

Revisions to certain forms relating to §§ 501.603 & 501.604

OFAC also is revising several forms that relate to the requirements of §§ 501.603 and 501.604 and making available one new form.

- Form TD-F 90-22.50, Annual Report of Blocked Property. OFAC is revising this form to set out more clearly the information required to be reported pursuant to § 501.603(b)(2) and to reformat the form into an excel table format to make the form easier to complete for respondents. OFAC will soon be requiring that annual reports contain a disaggregated list showing each blocked asset contained within an omnibus account. This new requirement to file disaggregated annual reports begins with the 2020 annual reports, which will be due no later than September 30, 2020. Historically, OFAC has received numerous requests, particularly from large filers, to submit information in an excel document format. OFAC expects this format to lessen the reporting burden for parties required to submit Form TD-F 90-22.50. Those persons required to submit an Annual Report of Blocked Property pursuant to § 501.603(a) are required to use Form TD-F 90-22.50.
- Form TD-F 93.02, Report on Blocked Property – Financial and Form TD-F 93.07, Report on Rejected Transactions. OFAC is revising these two voluntary forms that were previously available on OFAC’s website. These two forms are being updated to clarify the information required to be reported pursuant to §§ 501.603 and 501.604 and are being reorganized in a manner that OFAC expects to be more intuitive for filers in light of financial industry standards. In the case of the Report on Blocked Property, this form has also been renamed and reframed as a voluntary form for reporting blocked financial property and transactions as the information fields of the form most closely align with these sort of transactions; this form will now be known as “TD-F 93.02, Report on Blocked Property – Financial.” The rejected transactions voluntary form will now be known as “TD-F 93.07, Report on Rejected Transaction.” OFAC is clarifying that reports on rejected transactions apply broadly to all rejected transactions (and not only to rejected funds transfers), providing greater detail regarding the information to be provided to OFAC in connection with reports on rejected transactions and where to report such information, and making certain technical and conforming changes.
- Form TD-F 93.08, Report on Blocked Property – Tangible/Real/Other Non-Financial Property. OFAC is adding this new voluntary form for non-financial blocked property and transactions. Historically, submitters of information regarding blocked tangible, real, or other non-financial property under § 501.603(b)(1) have used previous versions of the TD-F 93.02 form that is more tailored to financial property and transactions, despite many of the fields being inapplicable. The type of information required by OFAC for non-financial property and transactions differs, and so OFAC has created this new voluntary form in an effort to simplify the process for those reporting the blocking of non-financial property.

Note that in the case of these three voluntary forms provided by OFAC for initial reports on blocked property and reports on rejected transactions, persons required to report property or transactions to OFAC under § 501.603(b)(1) and (b)(2) and § 501.604 are not required to use these voluntary forms. The forms are being provided in an effort to streamline and simplify the reporting process for submitters.

Other regulatory revisions

- Section 501.602, which covers reports to be furnished on demand. OFAC is also revising this provision to add references to electronic documents and to add a new paragraph defining the term “document” for purposes of such section in order to provide additional clarity. In addition, OFAC is adding a new requirement that persons providing documents to OFAC pursuant to § 501.602 must produce the documents in a usable format agreed upon by OFAC.
- Section 501.801, the licensing procedures section. In addition, OFAC is revising the licensing procedures section of these Regulations to include information regarding OFAC’s electronic license application procedures, and to provide additional instructions regarding applications for the release of blocked funds.

2. Purpose and Use of the Information Collected.

The information collected is used by OFAC to implement blocking, licensing, compliance, and enforcement measures pursuant to 31 CFR chapter V. OFAC has used information reported on blocked property and rejected transactions to enhance compliance with U.S. sanctions, to support diplomatic negotiations concerning the targets of sanctions, and to support settlement negotiations addressing U.S. claims. Information submitted in applications for specific licenses is used by OFAC to determine whether to authorize particular transactions that would otherwise be prohibited under 31 CFR chapter V. Absent the submission of basic facts and other information, OFAC would be unable to evaluate the merits of specific license applications and authorize exceptions. Without the ability to make such exceptions from the broad prohibitions contained in 31 CFR chapter V, OFAC would not be able to exercise reasonable discretion in administering economic sanctions programs.

3. Consideration Given to Information Technology.

Many license applications and requests for interpretive guidance regarding the scope of general licenses are submitted to OFAC using OFAC’s electronic license application system. Information collected from financial institutions related to blocked, rejected, and certain authorized transactions is also collected increasingly by automated, electronic, and computerized means. Certain information is required to be submitted via approved forms, for example, annual reports required under § 501.603(b)(2) must be submitted via form TD-F 90-22.50.

In the near future, OFAC currently intends to make available to the public a new system for electronically reporting information required to be reported to OFAC pursuant to §§ 501.603

and 501.604. The system will incorporate user management, audit, and reporting features to improve the quality of report data and facilitate regulatory compliance. Once made available to the public, the system will be voluntary and will collect the same information that is required pursuant to §§ 501.603 and 501.604. OFAC expects that many submitters may wish to take advantage of this streamlined system, as the system will likely reduce the time it takes for submitters to provide the required information to OFAC, and the system will provide submitters with a confirmation that the report has been received and accepted by OFAC. OFAC is currently in the final testing stages of a pilot program for this electronic reporting system. When the system is available to the public, information will be provided on OFAC's website about this new, voluntary electronic reporting option.

4. Duplication of Information.

Generally, the information that OFAC requires pertains to individual property and transactions and is not available to OFAC other than through a specific report. Each individual report of information provided is of a limited nature, separate, and unique. Thus, there is no duplication of records. Each item is based upon a new occurrence pertaining to a designated or otherwise blocked person or activities or transactions that are otherwise prohibited.

All U.S. persons, however, are required to make individual reports on property that they have blocked or transactions they have rejected within 10 days from the blocking or rejection and are also required to report on an annual basis all blocked property under their control. The annual report of blocked property is not a duplicate of the information previously reported. Because various authorized or otherwise legal transactions can occur throughout the year affecting the amount of particular blocked assets, such as generally authorized debits for administrative fees, generally authorized crediting of interest earned, or judicial decrees transferring certain terrorism-related assets, only through the annual reporting requirement can OFAC be apprised of the actual status of all blocked property. Current information is required for the purpose of the Department of the Treasury's congressionally mandated annual report on terrorist assets as well as for U.S. national security and foreign policy purposes concerning negotiations with impacted countries.

5. Reducing the Burden on Small Entities.

The information collections under this OMB control number may affect a limited number of small businesses or other small entities that hold blocked property, reject transactions, or engage in transactions prohibited, unless otherwise authorized, by the individual parts in 31 CFR chapter V. With regard to blocked property or rejected transactions, OFAC has published significant guidance on its website to help smaller entities with more constrained compliance resources to understand their obligations to block and reject certain transactions and to report these transactions to OFAC. In addition, OFAC has provided detailed forms (mandatory in the case of annual reports of blocked property and voluntary in the case of all other blocking and reject forms) to assist such persons with submitting these reports.

In the licensing area in particular, the application procedures are simple, and the average time required to complete a license application is two hours. The recordkeeping requirement

imposed by § 501.601 is minimal, because the records required to be maintained should already be maintained under standard business practices.

6. Consequences of Not Conducting Collection.

The information collected is used primarily by OFAC for licensing, compliance, and enforcement purposes. This information is used to authorize transactions consistent with policy, and to prevent the unauthorized transfer through U.S. financial institutions of property in support of targeted governments and persons. Without these collections of information, certain sanctions statutes and Presidential Executive orders, including provisions for authorizing certain otherwise prohibited transactions, cannot be fully implemented and enforced.

Generally, the information could not be collected less frequently. For example, the need for information required to request a specific license arises only at the time an applicant determines that it wants to engage in a transaction for which such a license is necessary. Persons availing themselves of certain general licenses may be required to file reports and statements in accordance with the instructions specified in those licenses. With regard to initial and annual reports of blocked property, unblocking reports, and reports of rejected transactions, if the information were not collected or were collected less frequently, OFAC would have very limited means of tracking the compliance of U.S. persons with U.S. economic sanctions or the amounts of property currently blocked, some of which is required for OFAC to report to Congress each year.

7. Special Circumstances.

- *Requiring respondents to report information to the bureau more often than quarterly;*

Respondents are required to submit initial reports of blocked property (and, as specifically requested, unblocking reports), reports on rejected transactions, and reports of certain activities authorized by general or specific licenses on a transaction-by-transaction basis and annual reports of blocked property on an annual basis. Prompt reporting of individual blockings, unblockings, rejected transactions, and certain authorized activities is necessary for OFAC to maintain effective compliance and enforcement.

- *Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;*

OFAC requires that reports on blocked property (and, as specifically requested, unblocking reports), rejected transactions, and certain authorized transactions be submitted within 10 days of the blocking, rejection, or completion of the authorized transaction as specified in the authorization, unless otherwise officially directed by OFAC. A 30-day requirement would be insufficient for the foreign policy purposes underlying the economic sanctions. In addition, because OFAC frequently receives requests to unblock property shortly after it has been blocked, it is essential for the blockings to be reported to OFAC as soon as possible. OFAC requests for information in

the enforcement context may require a response in less than 30 days when the information requested is needed immediately for OFAC to adequately enforce U.S. economic sanctions.

- *Requiring respondents to submit more than an original and two copies of any document;*

No such requirement exists.

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

Part 501 requires respondents to retain records for five years from the date of a regulated transaction 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.

- *In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;*

The information collections are not part of a statistical survey.

- *Requiring the use of a statistical data classification that has not been reviewed and approved by OMB;*

Not applicable.

- *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;*

OFAC will ensure that this 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 agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.*

OFAC will ensure that this 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).

8. Consultations with Persons Outside the Agency.

OFAC will be soliciting comments on the rule amending the Regulations when it is published.

In addition, OFAC has substantial contact with various individuals and entities seeking to comply with OFAC's regulations. Through these contacts, OFAC is able to develop an appreciation of the impact of the information collections necessitated by economic sanctions. OFAC's Licensing Division is in daily contact with applicants for specific licenses under the various programs it administers. Licensing officers routinely discuss with applicants the information required to process their applications. Arrangements to minimize the burden to applicants, while allowing OFAC to make sound decisions, are constantly being negotiated. The Sanctions Compliance & Evaluation Division, which possesses substantial expertise in the area of banking and financial transactions, maintains similar contacts with the financial sector and other regulated industries. The Sanctions Compliance & Evaluation Division also maintains an email and telephone hotline for answering questions from the private sector regarding the application of OFAC's economic sanctions, and engages in substantial outreach at events held throughout the country and around the globe. Over 30 years of such daily contacts have streamlined procedures and assisted OFAC in obtaining a detailed understanding of the burdens its procedures impose on persons seeking to comply with OFAC requirements.

As discussed further above, OFAC intends to make available to the public a new system for electronically reporting information required to be reported to OFAC pursuant to §§ 501.603 and 501.604. OFAC is currently in the final testing stages of a pilot program for this electronic reporting system. As a part of this pilot program, OFAC has engaged in extensive outreach to the pilot program participants, all of which were regular submitters of reports to OFAC pursuant to §§ 501.603 and 501.604. OFAC's focus during the pilot program phase has been to streamline the reporting process and reduce the reporting burden for those submitting reports pursuant to §§ 501.603 and 501.604.

9. Payment or Gift.

No payment or gift will be provided to respondents.

10. Confidentiality.

OFAC will ensure that this 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 collection makes no request for sensitive information of this type. In addition, a privacy impact assessment has been conducted for information collected under this request and a Privacy Act System of Records notice has been issued for this system under Treasury/DO .120 – Records Related to Office of Foreign Assets Control Economic Sanctions (75 FR 61853).

12. Burden of Information Collection.

A. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. If this request for approval covers more than one form, provide separate hour burden estimates for each form.

The likely respondents and record-keepers affected by the information collections contained in part 501 are financial institutions, business organizations, nonprofit organizations, individuals, and legal representatives. Since OFAC’s last filing, OFAC has reviewed and revised its methodology to more accurately estimate the reporting burden as set forth below.

Summary

The burden of the record-keeping requirement imposed by 501.601 is minimal because the records required to be maintained should already be maintained under standard business practice.

Based on a general review of its databases and using OFAC’s enhanced methodology and updated data, OFAC’s estimate for the number of unique reporting respondents is approximately 6,900. The estimated total annual reporting burden is approximately 14,850 hours. Accordingly, the estimated annual hourly burden per respondent is approximately 2.2 hours. The estimated annual frequency of responses is between 1 and 3,300, varying greatly by entity depending on the size, nature, and scope of business activities of each respondent. The estimated total number of responses per year is approximately 31,601 responses. OFAC assesses that there is an average time estimate for reports associated with forms ranging from 15 minutes to 2 hours and for reports associated with general licenses and other miscellaneous reports ranging from 1 to 5 hours, as noted below in the more detailed background section.

| Category | RESPONSES | ESTIMATED TIME (hours) |
|--|-----------|------------------------|
| Reports associated with forms | 31,275 | 14,148 |
| Reports associated with general licenses and other miscellaneous reports | 326 | 702 |
| OVERALL TOTALS | 0 | 14,850 |

More detailed background

In past submissions, OFAC primarily focused on the reporting burden associated with submissions using forms (primarily reports on blocked property and rejected transactions). While these reports are by far the bulk of required reporting, for this submission OFAC has

sought to further refine its reporting burden estimate by accounting for additional peripheral reports. With respect to submissions associated with forms, OFAC has reframed the burden estimates to focus on the substance for each required submission, while noting associated form numbers. As most submitters use forms where available, however, the estimates are still largely based off the time to complete these forms. Please see the charts and narrative below for a breakdown and explanation of the estimated responses and hour burdens. OFAC has based its burden estimates on the most recent data available as noted below.

Reports associated with forms

| REPORT | ASSOCIATED FORM NUMBER | RESPONSES | ESTIMATED TIME PER FORM (hours per form) | ESTIMATED TIME (hours) |
|---|-------------------------|------------------|--|------------------------|
| Annual Report of Blocked Property (ARBP) | TD-F 90-22.50 | 399 | 2 | 798 |
| Projected one-time burden increase for some respondents due to disaggregated data requirement for ARBP per year | TD-F 90-22.50 | 20 ¹ | 4 | 80 |
| Report on Blocked Property – Financial ² | TD-F 93.02 | 5,383 | 0.5 | 2,692 |
| Report on Blocked Property – Tangible / Real / Other Non-Financial Property | TD-F 93.08 ³ | 18 ⁴ | 0.5 | 9 |
| Report on Rejected Transaction | TD-F 93.07 | 15,172 | 0.5 | 7,586 |
| Projected additional burden increase due to rule clarification for Report on Rejected Transactions | TD-F 90-22.50 | 759 ⁵ | 0.5 | 380 |
| TSRA License | TD-F 93.04 | 296 ⁷ | 1 | 296 |

¹ OFAC estimates approximately 15% of the 399 responses or 60 respondents may have a one-time burden increase of an additional 4 hours to complete the new disaggregated annual report requirement, for a total of approximately 240 additional hours over the three-year period. This is represented above in the annualized chart as 20 respondents at four additional hours per year.

² This report was previously known as the Report of Blocked Transactions. The title of this form has changed to distinguish this voluntary form for initial reports of financial blocked property from OFAC's new voluntary form for initial reports of non-financial blocked property.

³ This is a new voluntary form and, as a result, OFAC has not yet received any reports on this specific form.

⁴ Because this relates to a new voluntary form, the figures included here are estimates based on this type of information that OFAC has received in the past.

⁵ OFAC conservatively estimates that 5% of the current number of respondents to the Report on Rejected Transactions (15,172) may have additional reporting burden, which would be 759 respondents.

| | | | | |
|------------------------------------|---------------|--------------------|------|-------|
| Application ⁶ | | | | |
| Licensing Cover Sheet ⁸ | TD-F 98-22.61 | 9,228 ⁹ | 0.25 | 2,307 |
| TOTAL | | 31,275 | | 0 |

- Annual Report of Blocked Property (ARBP) (associated form TD-F 90-22.50). OFAC reevaluated the past methodology for calculating the number of responses. While in the past, OFAC counted each data point as a separate response, OFAC believes it is more accurate to count each form TD-F 90-22.50 submission as one response. This produces a much lower number of responses as compared to past submissions, but OFAC believes the overall calculation to be more accurate. OFAC received 399 TD-F 90-22.50 responses for the 2018 ARBP reporting year. OFAC estimates that it takes an average of two hours for completion of each Annual Report of Blocked Property report.
 - *One-time burden increase:* The upcoming changes to the regulations will require disaggregated data reporting to OFAC starting in September 2020. The vast majority of existing filers already have data in this format and most reports are already disaggregated. In addition, this information should be available for record-keeping purposes already. However, OFAC estimates that approximately 15% of the 399 respondents—or 60 responses—will have a one-time burden increase of an additional 4 hours to complete the new disaggregated annual report requirement over an 18-month period between April 2019 and September 2020. OFAC is therefore providing the longer time period until September 2020 to allow these few respondents additional time to identify and provide the disaggregated data. This would translate into a one-time increase of 240 hours in the overall total estimated time burden for the ARBP over the three-year reporting period.¹⁰
 - *Additional streamlining:* If anything, OFAC expects that there may be a slight decrease overall in the total time and cost burden for the ARBP form in the coming years for all filers as the process and data will be more streamlined and in an electronic format that can be more easily extracted, shared, and better utilized. However, taking a conservative view and in the absence of additional hard data, OFAC is not estimating a specific downward adjustment at this time.

⁶ This report may now be submitted electronically to OFAC to reduce the burden and improve efficiency in processing applications.

⁷ This estimate is based on the number of total Trade Sanctions Reform and Export Act of 2000 (TSRA) applications received in FY18, including online and hardcopy applications.

⁸ The vast majority of these reports are submitted electronically, also minimizing the reporting burden. This figure represents the total number of license applications, including those submitted electronically.

⁹ This estimate is based on an average of the total number of non-TSRA licensing requests received in FY17 and FY18, including online and hardcopy applications. OFAC assesses that such an average provides a better estimation of likely prospective burden.

¹⁰ See footnote 1 above.

- Report on Blocked Property – Financial (associated form TD-F 93.02). As before, OFAC continues to estimate the required completion time of 0.5 hours for each report. The number of responses for this report has increased as expected in line with the expansion of Treasury’s sanctions programs, but the burden remains minimal. Since the obligation is not changing, OFAC does not anticipate any burden changes from this form.
- Report on Blocked Property – Tangible/Real/Other Non-Financial Property (associated form TD-F 93.08). Although there is no historical data because this is a new report, OFAC has estimated approximate burden based on information of this type that OFAC has received in the past. OFAC expects that this report will entail the same time and cost burden as TD-F 93.02. Historically, non-financial property would have been reported to OFAC either using TD-F 93.02 or another means; as a result, OFAC expects that any additional burden associated with the new form going forward will correspond with a reduction in the burden associated with TD-F 93.02 as respondents will have a more specific and tailored form to report non-financial property in the future.
- Report on Rejected Transaction (associated form TD-F 93.07). OFAC continues to estimate the required completion time to be approximately 0.5 hours for each report. As with TD-F 93.02, the number of responses has increased in line with the expansion of Treasury’s sanctions programs but the burden remains minimal.
 - Note: The regulation changes will clarify the scope of transactions included within this requirement. While this information was already required, in an abundance of caution, OFAC is including in its estimate an increase of approximately 5% of responses to account for the possibility of certain additional respondents.¹¹
- TSRA License Application (associated form TD-F 93.04). OFAC continues to estimate that this form requires approximately one hour to complete. Please see attached sample TSRA License Application. Note that the overall time burden associated with the TSRA License Application has been significantly reduced due to the expansion of general licenses that authorize certain additional TSRA transactions without requiring a specific license. (Please see attached sample TSRA License Application.) OFAC does not anticipate any further changes in burden from this form moving forward.
- Licensing Cover Sheet (associated form TD-F 98-22.61). OFAC now collects all of the information contained in the Licensing Cover Sheet form through an online portal created to reduce the burden. OFAC’s online portal generates a license application in a .pdf format for more efficient processing. Accordingly, the paper form has been largely phased out. In FY18, approximately 90% of all licensing requests were received through the online portal. These figures include both online and hardcopy applications. OFAC estimates it takes approximately 15 minutes to complete each

¹¹ Calculation for potential slight increase of 5% in time burden for some respondents for the report on rejected transactions: 15,172 responses *.05 = 759 responses impacted by a few minutes more.

application. (Please see attached sample license application.) (Note that the Licensing Application for Release of Blocked Assets is approved through 1/2016 under a different OMB number 1505-0170.)

Other reports

For this submission, OFAC has also refined its estimate by reviewing additional reporting requirements required in its regulations, including pursuant to general and specific licenses and other reports. That is, while the information collections noted above under OMB authorization 1505-0164 occur largely under required and voluntary forms, others do not. For example, persons availing themselves of certain general or specific licenses may be required to file reports and statements in accordance with the instructions specified in those licenses. These additional reports have minimal burden and fluctuate given the dynamic nature of OFAC's sanctions programs. Submissions are not required to be in any particular format. Most of these reports are required in connection with an authorized activity. Please see the chart below for a breakdown of the estimated responses and hour burdens. A narrative explanation follows.

| REPORT | RESPONSES | ESTIMATED TIME (hours per form) | TIME (hours) |
|------------------------------------|------------|---------------------------------|--------------|
| Routine general license reports | 27 | 1 | 27 |
| Complex general license reports | 94 | 5 | 470 |
| Specific license-related reporting | 185 | 1 | 185 |
| Reports on unblocking property | 20 | 1 | 20 |
| Other reports | --- | --- | --- |
| TOTAL | 326 | | 702 |

- For certain routine general license reports (such as those in the Libya sanctions programs), OFAC estimates that the completion of these reports takes one hour on average. The number of such reports is approximately 27.
- For certain more complex general license reports (such as in the Ukraine/Russia sanctions program), OFAC estimates that the completion of these reports takes five hours on average since these reports are narrative-based and often several pages long. The total number of such reports is approximately 94.
- Some specific licenses also have reporting requirements (to Treasury and/or State) that, while specific to each applicant, when taken as a whole, may implicate Paperwork Reduction Act considerations. The number of such reports is approximately 185.
- Reports on unblocking property are only due when specifically required by OFAC, such as when made a condition of a general or specific license. The number of such reports is approximately 20.

- OFAC’s regulations require several other miscellaneous or one-off types of reports that may be required to be submitted at various times in connection with other actions taken pursuant to the regulations (including, for example, reports on operating accounts of the government of Cuba missions in the United States; report on the effect of transfers violating the provision; report on Foreign Terrorist Organizations; report on investment and reinvestment of certain funds; and report on transactions related to closing a correspondent or payable-through account). In the past reporting period, OFAC has not received any reports submitted from these reporting requirements and therefore estimates the burden with respect to these reports to be minimal.

B. Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories.

OFAC has refined its methodology for calculating the annualized cost burden by using one of two wage rates published by the Bureau of Labor and Statistics: either \$14.87/hour, which, as of October 5, 2018, is the median wage for data entry keyers, or \$32.63/hour, which, as of October 5, 2018, is the median wage for compliance officers. The wage used for calculating the cost burden varies depending on the type and complexity of the report as noted in the chart below. OFAC estimates the total cost to be approximately \$294,630.

| REPORT | ASSOCIATED FORM NUMBER | TIME (hours) | WAGE RATE (dollars/hour) | ESTIMATED COST (dollars) |
|--|------------------------|--------------|--------------------------|--------------------------|
| ARBP | TD-F 90-22.50 | 798 | 32.63 | 26,039 |
| Projected one-time burden increase for some respondents due to disaggregated data requirement for ARBP | TD-F 90-22.50 | 80 | 32.63 | 2,610 |
| Report on Blocked Property – Financial | TD-F 93.02 | 2,692 | 14.87 | 40,030 |
| Report on Blocked Property – Tangible / Real / Other Non-Financial Property | TD-F 93.08 | 9 | 14.87 | 134 |
| Report on Rejected Transaction | TD-F 93.07 | 7,586 | 14.87 | 112,804 |
| Projected additional burden increase due to rule clarification for Report on Rejected Transactions | TD-F 93.07 | 380 | 14.87 | 5,651 |
| TSRA License Application | TD-F 93.04 | 296 | 32.63 | 9,658 |
| Licensing Cover Sheet | TD-F 98-22.61 | 2,307 | 32.63 | 75,277 |

| | | | | |
|------------------------------------|-----|---------------|-------|----------|
| Routine general license reports | N/A | 27 | 14.87 | 401 |
| Complex general license reports | N/A | 470 | 32.63 | 15,336 |
| Specific license-related reporting | N/A | 185 | 32.63 | 6,037 |
| Reports on unblocking property | N/A | 20 | 32.63 | 653 |
| Other reports | N/A | --- | --- | --- |
| TOTAL | | 14,850 | | 0 |

13. Annual Cost to Respondents.

For some entities, there may be capital, operating, and maintenance costs associated with products such as interdiction software used to maintain compliance with U.S. sanctions laws. Nevertheless, any capital or operating costs associated with the actual collection of information to be submitted to OFAC are assumed to be minimal.

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.

The Regulations set forth standard reporting and recordkeeping requirements and license application and other procedures relevant to the economic sanctions programs administered by OFAC. OFAC is updating six sections of the Regulations. In particular, OFAC is amending the Regulations to provide updated instructions and incorporate new requirements for parties filing reports on blocked property, unblocked property, or rejected transactions. In addition, OFAC is revising the licensing procedures section of these Regulations to include information regarding OFAC's electronic license application procedures, and to provide additional instructions regarding applications for the release of blocked funds.

The estimated 31,601 responses cited in Item 12 represents a decrease of 12,495 responses from the previously approved collection for 31 CFR part 501 (see reference tables below). While difficult to quantify burden reduction factors precisely largely due to the broad range of potential reporting and the diverse range of respondents, OFAC assesses that the reduction in burden primarily reflects adjustments in agency estimates and methodology, external factors, and better data. Such reduction counteracts certain increases due to agency program changes. Regarding the time and cost burden, the reduced number of responses corresponds to a decrease in the total annual burden hours and associated cost burden. Further details regarding each of these OFAC assessments are provided below.

| CHANGES IN BURDEN | | | |
|--------------------|-----------|------------------------|----------------|
| DATE OF SUBMISSION | RESPONSES | ESTIMATED TIME (hours) | COST (dollars) |
| 2015 | 44,096 | 46,381 | \$463,835 |
| 2018 | 31,601 | 14,850 | \$294,630 |
| Difference | -12,495 | -31,531 | -\$169,205 |

With respect to program changes, OFAC assesses that the reduction in requested burden hours from 46,381 to approximately 14,850 (for a decrease of 31,531) is due in part to some key program changes, such as OFAC's expanded regulatory general licenses, and from streamlined forms and technological advances, including those in the upcoming regulatory amendments. The decreases associated with OFAC's estimates counteracted certain increases in burden due to program changes. For example, while some program changes produced an uptick in specific license applications, reports of blocked property, and reports of rejected transactions, such as the additional of several sanctions programs since 2015, OFAC has experienced a decrease in TSRA-related license applications due to expanded regulatory general licenses, particularly in the Iran sanctions program. However, note that there is the potential for future variability in the estimated time burden for general license reports that is difficult to anticipate because general licenses and any associated reporting requirements are generally issued to respond to specific and unforeseeable foreign policy developments and considerations.

With respect to the adjustments in agency estimates, OFAC assesses that the biggest factors for burden reduction are better data collection, changes in methodology, and revised estimates that OFAC believes are more accurate. OFAC anticipates that the amended Regulations will, as a whole, have a minimal effect on overall burden. OFAC's improved methodology for estimation of responses with respect to the Annual Report of Blocked Property accounts for a reduction of approximately 23,000 responses alone. In addition, OFAC assesses that its 2015 estimate for additional Cuba-related reporting was significantly overestimated.

While OFAC anticipates that certain of the Regulations' requirements may result in a minimal increase in burden, others generally are likely to offset most of those increases. As discussed above, although disaggregated information should already be available due to existing record keeping requirements, there may be a one-time burden increase on some respondents to identify and file disaggregated ARBP reports beginning with the 2020 annual reports but OFAC assesses that there will be a return to current burden levels after that. In addition, OFAC anticipates that regulatory clarifications with respect to real property and rejected transactions may result in some minimal increase in burden for some respondents who have not previously understood the existing reporting obligation.

OFAC also anticipates, however, that regulatory clarification of the reporting requirements and improved voluntary forms will foster more complete and accurate reporting up front and reduce the current burden entailed when OFAC needs to engage in a back-and-forth discussion with respondents post-initial reporting to request they locate and provide additional information to support the original filing. Additional burden reduction is likely in the coming year as OFAC currently plans to launch a new electronic filing system that will auto-populate certain fields of required information (e.g., account data and sanctions programs associated with an identified SDN); this should reduce the burden particularly for large filers. OFAC expects only a slight increase in overall burden over the coming three years stemming from these regulatory amendments given the reduction in expected burden from regulatory clarifications, the issuance of better forms, and the increasing use of technology for more efficient data review and reporting.

This submission is being made for revision and renewal purposes.

| | Previously Approved | Program Change Due to Agency Discretion | Change Due to Adjustment in Agency Estimate | Requested |
|----------------------------|---------------------|---|---|-----------|
| Annual Number of Responses | 47,096 | 12,686 ¹² | -25,181 ¹³ | 31,601 |
| Annual Time Burden (Hr) | 46,381 | 3,709 ¹⁴ | -35,367 ¹⁵ | 14,850 |
| Annual Cost Burden (\$) | 463,835 | 150,980 ¹⁶ | -320,185 ¹⁷ | 294,630 |

16. Tabulation of Results, Schedule, Analysis Plans.

Results will not be published.

17. Display of OMB Expiration Date.

Treasury is not requesting a waiver of the requirement to display the expiration date for this OMB Control Number.

18. Exceptions to Certification for Paperwork Reduction Act Submission.

There are no exceptions to the certification statement.

¹² Calculation based on responses from reports on blocked property, report on rejected transaction, TSRA license application, and licensing cover sheet responses due to agency program changes.

¹³ Calculation based on responses from ARBP reports, tangible reports on blocked property, routine general license reports, specific license-related reporting, and reports on unblocking property that changed due to methodology and better data.

¹⁴ Calculation based on financial reports on blocked property, report on rejected transaction, TSRA license application, and licensing cover sheet due to agency program changes.

¹⁵ Calculation based on ARBP reports, tangible reports on blocked property, routine general license reports, specific license-related reporting, and reports on unblocking property that changed due to methodology and better data.

¹⁶ Calculation based on cost burden from reports on blocked property, report on rejected transaction, TSRA license application, and licensing cover sheet responses due to agency program changes.

¹⁷ Calculation based on ARBP reports, tangible reports on blocked property, routine general license reports, specific license-related reporting, and reports on unblocking property that changed due to methodology and better data.