

**SUPPORTING STATEMENT**  
**OMB 1505-0167**  
**Persons Providing Remittance Forwarding Services**

This filing contains the information required by the Office of Management and Budget pursuant to the Paperwork Reduction Act of 1995, 44 U.S.C. 3501-3521, and 5 CFR part 1320.

**A. Justification.**

1. Circumstances Making the Collection Necessary.

This application is submitted to revise the information collection authority pertaining to the Cuban Assets Control Regulations set forth in 31 CFR part 515 (the “Regulations”) and approved under OMB No. 1505-0167. The Regulations are implemented pursuant to the Trading with the Enemy Act (50 U.S.C. §§ 4301-4341) (TWEA) and other applicable statutes. This information is required by the Office of Foreign Assets Control (OFAC) to implement its compliance and enforcement programs with respect to regulatory requirements regarding persons providing remittance forwarding services with respect to Cuba.

The Department of the Treasury issued these Regulations on July 8, 1963, under TWEA. OFAC has amended the Regulations on numerous occasions. In particular, on November 9, 2017, OFAC, the Department of Commerce’s Bureau of Industry and Security (Commerce), and the Department of State (State) took coordinated actions to implement National Security Presidential Memorandum-5, “Strengthening the Policy of the United States Toward Cuba,” signed by the President on June 16, 2017 (NSPM-5).

More recently, an April 17, 2019 foreign policy address (April 2019 Address) announced forthcoming regulatory changes to further implement NSPM-5 and the President’s foreign policy toward Cuba. Effective June 5, 2019, OFAC issued a regulatory amendment implementing a portion of these changes by removing an authorization for group people-to-people educational travel (84 Fed. Reg. 25992 (June 5, 2019)). At that same time, OFAC issued a revised Supporting Statement related to the information collection approved under OMB No. 1505-0168.

The April 2019 Address also announced that the Department of the Treasury would implement additional regulatory changes, including the imposition of new limits on remittances, as well as the elimination of authorizations for certain types of financial transactions. Therefore, OFAC, in consultation with State, took additional action to implement those announced changes, through the issuance of a rule on September 6, 2019, as set forth in more detail below. This rule provides for a 30-day implementation period before it is effective in order to allow for technical implementation of these additional restrictions.

In accordance with the April 2019 Address, OFAC amended several authorizations related to remittances set forth in § 515.570. OFAC amended § 515.570(a), which authorizes family remittances, to place a cap of \$1,000 as the maximum amount that one remitter can send per quarter to one Cuban national as a family remittance. Section 515.570(a) provides that the recipient of family remittances may not be a prohibited official of the Government of Cuba, as defined in § 515.337, or a prohibited member of the Cuban Communist Party, as defined in § 515.338. OFAC also amended § 515.570(a) to prohibit remitters from sending remittances to

close family members, as defined in § 515.339, of prohibited officials of the Government of Cuba or prohibited members of the Cuban Communist Party. OFAC also made a conforming change in § 515.570(f), which authorizes certain remittances from blocked sources.

In furtherance of the policy to limit remittances, OFAC eliminated the authorization in § 515.570(b) for donative remittances. In light of the removal of this authorization, OFAC also made a conforming change by removing and reserving the unblocking authorization in paragraph (h) for previously blocked remittances that would have been authorized by paragraph (b). At the same time, in light of NSPM-5's policy to encourage the growth of a Cuban private sector independent of government control, OFAC amended § 515.570(g), which authorizes unlimited remittances to certain individuals and independent non-governmental organizations in Cuba, to add a provision to authorize unlimited remittances to certain additional self-employed individuals. OFAC has added a definition for qualifying self-employed individuals in § 515.340.

Additionally, OFAC requires that persons subject to U.S. jurisdiction providing remittance forwarding services or travel or carrier services authorized pursuant to 31 CFR § 515.572 retain for at least five years from the date of the transaction a certification from each customer indicating the section of 31 CFR part 515 or, if relevant, the number of the specific license, that authorizes the customer to send the remittance to Cuba or that authorizes the customer to travel to Cuba, respectively. In addition, the service provider must maintain on file the names and addresses of individual remitters or travelers, the number and amount of each remittance, and that name and address of each recipient, as applicable.

## 2. Purpose and Use of the Information Collected.

The information in 1505-0167 is a certification required pursuant to § 515.572(b)(1) of the Regulations by persons subject to the jurisdiction of the United States who make authorized remittances to persons in Cuba. The information collected is used by OFAC to implement its compliance and enforcement programs pursuant to the Regulations, including with respect to whether remitters are complying with the requirements of general or specific licenses authorizing remittances. Specifically, banking institutions providing remittance forwarding services are required to collect from persons who use such services a certification indicating the relevant remittance provisions of the Regulations. Such banking institutions will retain this information on file for five years, subject to audit by OFAC for compliance, civil penalty, and enforcement purposes. Specifically, the information may be requested by OFAC to verify that persons sending remittances to Cuba were licensed by OFAC to do so and facilitate OFAC's addressing of potential violations of the Regulations.

## 3. Consideration Given to Information Technology.

The use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology is not applicable to this collection. Banking institutions providing remittance forwarding services determine how to gather and retain the certification showing compliance with the relevant remittance provisions of the Regulations.

#### 4. Duplication of Information.

Generally, the information that OFAC requires pertains to a person and is not available other than if obtained from each person. Each individual certification is separate and unique. Thus, there is no duplication of records.

#### 5. Reducing the Burden on Small Entities.

The storage of the required certifications showing compliance with the relevant remittance provisions of the Regulations for five years will affect small businesses or other small entities that provide remittance forwarding services, but this requirement is not expected to be onerous.

#### 6. Consequences of Not Conducting Collection.

The information collected is used primarily by OFAC for compliance and enforcement purposes. This information is used to assess whether transactions are conducted consistent with the Regulations. The lack of such information may hinder investigations.

Generally, the information could not be collected less frequently unless it was not collected at all. A certification is only collected when a person is providing authorized remittance forwarding services. To collect the information less frequently would result in incomplete records of funds remitted to Cuba, may hinder OFAC's ability to assess whether such remittances complied with the Regulations, and may impact potential civil penalty or other enforcement actions.

#### 7. Special Circumstances.

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

The Reporting, Procedures and Penalties Regulations, 31 CFR Part 501, require the retention of records for five years from the date of a transaction subject to the provisions of 31 CFR chapter V 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 five-year statute of limitations set forth in 28 U.S.C. 2462.

- *Requiring respondents to submit proprietary trade secret, or other confidential information unless the bureau 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).

There are no other special circumstances. The collection of information is conducted in a

manner consistent with the guidelines in 5 CFR 1320.5.

#### 8. Consultation with Persons Outside the Agency.

A *Federal Register* notice soliciting comments on the existing requirements was published on April 30, 2019 (84 FR 18341). However, OFAC is now issuing this supporting statement concurrently with a new rule amending § 515.570, as described above. OFAC received no public comments.

#### 9. Payment or Gift.

Respondents receive no payment or gifts for completing or retaining the certifications.

#### 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. For further information about OFAC's privacy practices, please see OFAC's system of records notice: Treasury/DO .120 – Records Related to Office of Foreign Assets Control Economic Sanctions (76 FR 4995).

#### 11. Questions of a Sensitive Nature.

The information requested makes no request for sensitive information of this type.

#### 12. Burden of Information Collection.

The estimated number of respondents is 2,500,000. It is estimated that, of those, 1,500,000 will file four times annually (6,000,000 filings), and 1,000,000 will file once a year (1,000,000 filings), totaling to 7,000,000 filings. It is estimated that the time required to complete the certification is approximately one minute. At one minute each, the certifications to be completed by individuals under a general authorization in the Regulations will take approximately 7,000,000 minutes (approximately 116,667 hours) annually in the aggregate.

Additionally, for persons providing authorized remittance services, there may be some burden associated with developing or modifying systems in order to collect the required certification, although this is not a new requirement and has not been changed. This record keeping burden associated with maintaining the certifications for five years is addressed in OMB 1505-0164.

#### 13. Annual Cost to Respondents.

The burden imposed on persons providing authorized remittance forwarding services by this information collection requirement is minimal as the certification that is collected and stored for each relevant transaction may be in any form, as determined by such persons. At one minute per certification, there is no practical cost to individual travelers associated with this burden.

#### 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. The customer certifications are collected and stored by the remittance service providers.

#### 15. Reason for Change.

Based on the President's foreign policy to add limits on remittances to Cuba and the corresponding rule implementing these changes in 30 days, OFAC estimates that there will be a decline in the number of respondents making remittances by about 1,500,000, but there will be off-setting increases in the frequency of filings and related reports. Accordingly, OFAC estimates that the overall number of reports will remain the same. Thus, the overall burden is estimated to remain unchanged from the previous reporting period.

As noted in detail above, in accordance with the April 2019 Address, OFAC amended several authorizations related to remittances set forth in § 515.570. In particular, OFAC eliminated the authorization in § 515.570(b) for donative remittances. At the same time, in light of NSPM-5's policy to encourage the growth of a Cuban private sector independent of government control, OFAC amended § 515.570(g), which authorizes unlimited remittances to certain individuals and independent non-governmental organizations in Cuba, to add a provision to authorize unlimited remittances to certain additional self-employed individuals.

Among other things, OFAC also amended § 515.570(a), which authorizes family remittances, to place a cap of \$1,000 as the maximum amount that one remitter can send per quarter to one Cuban national as a family remittance. OFAC believes this quarterly limit is likely to increase the number of quarterly filers at the expense of annual filers. Specifically, OFAC estimates that 1,500,000 filers will now file quarterly, and 1,000,000 will file annually.

OFAC continues to require that persons subject to U.S. jurisdiction providing remittance forwarding services authorized pursuant to 31 CFR § 515.572 retain for at least five years from the date of the transaction a certification from each customer indicating the section of 31 CFR part 515 that authorizes the person to send remittance to Cuba. In addition, banking institutions providing remittance forwarding services must maintain on file the names and addresses of individual remitters, the number and amount of each remittance, and the name and address of each recipient, as applicable.

Accordingly, OFAC assesses that the net effect of these regulatory changes will leave the current estimate of the burden unchanged at approximately 7,000,000 filings annually. The estimated decrease in respondents and offsetting increase in quarterly filers is fully attributable to the described program changes. In future renewals, OFAC will update the estimates based on additional observations as feasible. A total of 116,667 hours burden hours is requested.

#### 16. Tabulation of Results, Schedule, and Analysis Plans.

Results will not be published.

17. Display of OMB Approval Date.

Not applicable.

18. Exceptions to Certification For Paperwork Reduction Act Submission.

There are no exceptions to the certification statement.

**B. Collections of Information Employing Statistical Methods.**

Not applicable.