Requirements for Certain Transactions Involving Convertible Virtual Currency (CVC) or Digital Assets

Supporting Statement
1506-NEW

1. Circumstances Necessitating Collection of Information.

The Bank Secrecy Act (BSA), Titles I and II of Pub. L. 91-508, as amended, codified at 12 U.S.C. 1829b, 12 U.S.C. 1951-1959, and 31 U.S.C. 5311-14, 5316-32, authorizes the Secretary of the Treasury (the Secretary), among other things, to issue regulations requiring records and reports that are determined to have a high degree of usefulness in criminal, tax, and regulatory investigations and proceedings. Regulations implementing Title II of the BSA (codified at 31 U.S.C. 5311-14, 5316-32), appear at 31 CFR Chapter X. The authority of the Secretary to administer the BSA has been delegated to the Director of FinCEN.

FinCEN's mission is to safeguard the financial system from illicit use, combat money laundering and its related crimes including terrorism, and promote national security through the strategic use of financial authorities and the collection, analysis, and dissemination of financial intelligence. The potential misuse of the U.S. financial system to evade domestic criminal, tax, and regulatory laws has been a long-held congressional and law enforcement concern.

The growing use of convertible virtual currency (CVC) across the financial system has exposed certain gaps in the BSA recordkeeping and reporting regime with respect to financial transactions involving unhosted CVC wallets (*i.e.*, CVC wallets where funds are controlled by users directly rather than indirectly third party financial institutions) or wallets hosted by financial institutions in certain foreign jurisdictions ("otherwise covered wallets"). FinCEN assesses malign actors can exploit such gaps to avoid detection and further their activities that undermine U.S. foreign policy goals and constitute a significant national security threat to the

United States. Similar risks apply with respect to digital assets with legal tender status (LTDA). The expected growth of central bank digital currencies, a type of LTDA, some of which might offer unhosted wallets or wallets hosted in identified foreign jurisdictions, presents similar potential risks to transactions in CVCs through unhosted wallets or wallets hosted in identified foreign jurisdictions.

CVC wallets are interfaces for storing and transferring CVC, and there are two wallet types: “hosted wallets” and “unhosted wallets.” The ability to transact in CVC using unhosted or otherwise covered wallets, and the possibility that there will be a similar ability to transact in LTDA using unhosted or otherwise wallets, increases risks related to anti-money laundering (“AML”) and countering the financing of terrorism (“CFT”).

FinCEN has issued a Notice of Proposed Rulemaking that (Requirements for Certain Transactions Involving Convertible Virtual Currency or Digital Assets (31 CFR Chapter X)) proposes the imposition of recordkeeping, verification, and reporting requirements for certain deposits, withdrawals, exchanges, or other payments or transfers of CVC or LTDA by, through, or to a bank or money service business (MSB) that also involve an unhosted wallet or a wallet hosted in certain foreign jurisdictions. The benefits of the proposed rule include enhanced law enforcement ability to investigate, prosecute, and disrupt the financing of international terrorism and other priority transnational security threats, as well as other types of financial crime, by obtaining improved visibility into financial flows into and LTDA indicators will significantly enhance law enforcement’s and regulators’ ability to leverage blockchain analytics to obtain attribution and move investigations forward in an expeditious manner.CVC or otherwise covered wallets. FinCEN believes that the collection of unhosted wallets and improved attribution of CVC transactions involving unhosted

Among the objectives of the proposed requirements is the application of appropriate controls to curb malign actions of hostile foreign states facilitated by means of CVC/LTDA, to prevent evasion of United States sanctions regimes, to combat the financing of global terrorism, and to address other threats originating in whole or in substantial part outside the United States, including the proliferation of ransomware attacks, transnational money laundering, and international trafficking in controlled substances, stolen and fraudulent identification documents and access devices, counterfeit goods, malware and other computer hacking tools, firearms, and toxic chemicals.

The proposed new requirements, in combination with existing BSA requirements, will help ensure that persons engaged in CVC or LTDA transactions are subject to appropriate customer identification and verification by the banks or MSBs that facilitate the transactions, and that transactions involving a significant value of CVC or LTDA, like transactions involving a significant amount of physical currency, are reported to FinCEN. Collectively, these requirements will make it more difficult for illicit activity to evade detection. new

First, this proposed rule would require banks and MSBs to file a report with FinCEN containing certain information related to a customer's CVC or LTDA transaction and counterparty, and to verify the identity of their customer, if a counterparty to the transaction is using an unhosted or otherwise covered wallet and the transaction is greater than $10,000 (or the transaction is one of multiple such transactions involving such counterparty wallets and the customer flowing through the bank or MSB within a 24-hour period that aggregate to value in or value out of greater than $10,000). Second, the proposed rule would require banks and MSBs to keep records of a customer's CVC or LTDA transaction and counterparty, including verifying the identity of their customer, if a counterparty is using an unhosted or otherwise covered wallet and the transaction is greater than $3,000.

This supporting statement describes the estimated burden hours as a result of the NPRM.

2. Method of Collection and Use of Data.

The proposed rule would add the reporting requirement described above in Subchapter C of Chapter X of Title 31 of the Code of Federal Regulations, the same subchapter which contains other FinCEN-administered reporting requirements such as the currency transaction report (CTR) and suspicious activity report (SAR) reporting requirements. The proposed rule would add the new reporting requirement at 31 CFR 1010.316, and FinCEN would issue a new Value Transaction Report (VTR) form, the existing CTRsimilar to.

The existing identity verification and recordkeeping requirements applicable to transactions that require the filing of a CTR are found at 31 CFR 1010.312. The proposed rule would amend this provision by adding a requirement that banks and MSBs keep records of, and verify the identity of their hosted wallet customers who participate in, transactions subject to the CVC/LTDA reporting requirements, *i.e.*, CVC/LTDA transactions involving hosted wallet customers and unhosted or otherwise covered wallets with a value aggregating to $10,000 or more. The proposed new recordkeeping requirement likewise would require banks and MSBs to keep records of, and verify the identity of their hosted wallet customers who engage in, transactions with a value of more than $3,000. The proposed reporting and recordkeeping requirements also would require the collection, but not verification, of information about the name and physical address of each counterparty to a transaction by a hosted wallet customer that is subject to the reporting or recordkeeping requirements proposed by the NPRM.

These proposed requirements would assist law enforcement in financial investigations, advance counterterrorism and broader national security interests, improve financial institutions' ability to assess and mitigate risk, help prevent evasion of financial sanctions, and advance U.S. compliance with international standards and commitments. Specifically, these proposed new requirements, in combination with existing BSA requirements, would help ensure that persons engaged in CVC or LTDA transactions are subject to appropriate customer identification and verification by the banks or MSBs that facilitate the transactions, making it more difficult for illicit activity to evade detection. Compliance with these proposed requirements would be reviewed by Federal agencies during the course of BSA examinations.

3. Use of Improved Information Technology to Reduce Burden.

The BSA E-filing system supports electronic filing of BSA reports, and would support this proposed new report (both individually and in batches) through a computer network secured by FinCEN. BSA E-filing provides a faster, and more convenient, secure and cost-effective method for submitting BSA reports. Discrete and batch versions will be available on the FinCEN BSA E-file website at http://bsaefiling.fincen.treas.gov/main.html. FinCEN also upgraded to the industry standard of XML file format for both discrete and batch filers, and that file format will be available to filers of this proposed new report.

4. Efforts to Identify Duplication.

The respondents are the only source of this information. Although there is no duplication with respect to the reporting requirement, certain customer account information recorded pursuant to this proposed recordkeeping and verification requirement would also be recorded pursuant to the requirement of 31 CFR § 1010.410. However, FinCEN believes a single series of recordkeeping and verification procedures would suffice for both requirements, and has stated so in the preamble to the NPRM.

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

Currently, all banks and MSBs are required to collect and retain information related to currency transactions greater than $10,000 and subsequently file a CTR with FinCEN. To minimize the impact of the proposed new requirement, FinCEN made it as similar as possible to the existing CTR requirement, while proposing to apply it to only banks and MSBs engaged in certain transactions that most small banks and many small MSBs do not engage in. Specifically, banks and MSBs would be obligated to obtain and retain similar identification information and to file a report similar to the CTR, and transaction reporting was proposed to be set at a threshold of $10,000 in value. Given the purpose of the proposed new requirement is to identify CVC/LTDA transactions with unhosted wallets or wallets hosted in certain foreign jurisdictions, however, it was necessary to ensure that the proposed reporting and recordkeeping requirements included an obligation to collect the name and physical address of unhosted or otherwise covered wallet counterparties.

The proposed VTR is similar to the existing CTR form and designed to use the BSA E-filing system. This design minimizes the time required for a bank or MSB to complete the report and thus decreases the impact on small banks or MSBs. However, the proposed reports would provide valuable information to Federal, state, and local agencies that engage in criminal, regulatory and tax investigations and proceedings, agencies that engage in intelligence and counterintelligence activities, certain self-regulatory organizations, appropriate foreign agencies, and foreign financial intelligence units in their efforts to combat money laundering and other financial crimes. Without these proposed collections from covered banks and MSBs of all sizes, the government's efforts to achieve these goals would be negatively impacted.

When complying with these proposed recordkeeping and reporting requirements, banks and MSBs would be permitted to use the method most suitable based upon their assessment of risk as it relates to their size and type of business.

6. Consequences to the Federal Government of Not Collecting the Information.

The proposed recordkeeping and reporting requirements are intended to help law enforcement and regulatory authorities detect, investigate, and prosecute money laundering, and other financial crimes including significant national security threats. Access to this information is a key component to assisting law enforcement and regulatory authorities in protecting the financial system from crime, advance U.S. foreign policy objectives, and protect U.S. national security.

7. Special Circumstances Requiring Data Collection Inconsistent with Guidelines.

The proposed reporting of the required CVC and LTDA transactions would occur more frequently than quarterly, depending on the frequency of the reportable activity. This information would need to be reported in a timely manner to enable law enforcement to take appropriate investigative action. Under 31 CFR Part 1010.430(d), all records that are required to be retained by 31 CFR Chapter X must be retained for a period of five years. Records under this proposal would need to be kept for five years because such records may relate to substantive violations of law that are subject to statutes of limitation longer than three years.

8. Consultation with Individuals Outside of the Agency on Availability of Data, Frequency of Collection, Clarity of Instructions and Forms, and Data Elements.

Public comment is being sought on the burden under the Paperwork Reduction Act and on the regulatory requirements, following publication of the NPRM.

9. Payments and Gifts.

No payments or gifts are made to respondents.

10. Assurance of Confidentiality of Responses.

Information provided to the government on .authorized by lawas may only be disclosed is subject to stringent dissemination restrictions and VTRs Information collected under 31 U.S.C. §§ 5313(a) 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 this information. Any personally identifiable information collected under the BSA is strictly controlled as outlined in FinCEN's Systems of Records Notice: https://www.fincen.gov/sites/default/files/shared/FinCEN_79_FR_20969.pdf HYPERLINK "https://www.fincen.gov/sites/default/files/shared/FinCEN_79_FR_20969.pdf" .

12. Estimated annual hourly burden.

Summary of Burden

Frequency: As required.

Estimated Burden of Reporting Requirement: The estimated number of respondents is 10,907. Of those respondents, 10,542 are banks and 365 are MSBs. The estimated annual reporting burden per bank is 1 hour. The estimated annual reporting burden per MSB is 533 hours. The total estimated annual reporting burden therefore is 205,087 hours.

Estimated Burden of Recordkeeping and Verification Requirement: The estimated number of recordkeepers is 10,907. Of those recordkeepers, 10,542 are banks and 365 are MSBs. The estimated annual recordkeeping burden per bank recordkeeper is 1 hour. The estimated annual recordkeeping burden per MSB record keeper is 2,928 hours. The total estimated annual recordkeeping burden therefore is 1,079,262 hours.

Total Recordkeeping and Reporting Burden: 1,284,349 hours.

a. Reporting Requirement Related to CVC and LTDA: [31 CFR §§ 1010.306(a)(1)-(3), (d)-(e), 1010.313, 1010.316, 1020.313, 1020.315, 1020.316, 1022.313, 1022.316]

The NPRM proposes to require banks and MSBs to report information related to CVC and LTDA transactions above $10,000 between their hosted wallet clients and unhosted or otherwise covered wallets. The aggregation rules that would apply to CVC and LTDA transactions are broadly similar to those that apply to the CTR reporting requirement;

aggregation would not be required, however, between a person's CVC/LTDA and currency transactions. The mandatory exemptions of 31 U.S.C. 5313(d) would apply to the new CVC/LTDA transactions reporting requirement, as incorporated in 31 CFR 1020.315.

Description of Respondents: Banks and MSBs that conduct CVC or LTDA transactions on behalf of hosted wallet clients as senders or recipients in an amount above $10,000.

Estimated Number of Respondents: 10,907 financial institutions. FinCEN estimates that there are approximately 5,306 federally regulated banks and 5,236 federally regulated credit unions.[1] FinCEN, for purposes of these estimates, will assume that all of these banks and credit unions engage nominally in transactions involving CVC. As of June 2020, there were 12,692 MSBs registered with FinCEN that indicated they were conducting money transmission. Of those 12,692 MSBs, FinCEN estimates that 365 engage in CVC transactions. The FinCEN MSB registration form does not require that companies disclose whether they engage in CVC transactions. This estimate is therefore based on adding the number of MSBs that indicated they engage in CVC transactions in an optional field on the MSB registration form, and the number that did not so indicate but which, based on FinCEN's research, FinCEN believes engage in CVC transactions. (5,306 + 5,236 + 365 = 10,907).

Estimated Average Annual Burden Hours Per Recordkeeper: FinCEN notes that in the recent Funds Transfer / Travel Rule Notice of Proposed Rule Making,[2] FinCEN estimated that the burden hours per bank was nominally one hour. FinCEN is retaining the same estimate for this rule. While FinCEN is aware that banks, in light of developments such as the OCC Custody Guidance and the creation of the SPDI charter in Wyoming, are likely to engage in a growing amount of CVC transactions, that trend is still in the early stages. FinCEN anticipates the burden on banks will become more comparable to that on MSBs over time, as banks engage in more custody transactions involving CVC or LTDA.

In the Funds Transfer / Travel Rule NPRM PRA analysis, FinCEN estimated that the burden per MSB to comply with the collection and recordkeeping requirement at the transactional threshold of $3,000 was 240 hours per institution, and that the burden per MSB to comply with the transmission requirement at the transactional threshold of $3,000 was 180 hours per institution. The burden analysis below assumes that the transmittal requirement burden in the Funds Transfer / Travel Rule NPRM context is analogous to the reporting requirement burden under the new CVC/LTDA reporting requirement.[3] However, the burden

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1 According to the FDIC there were 5,103 FDIC-insured banks as of March 31, 2020. According to the Board of Governors of the Federal Reserve System, there were 203 other entities supervised by the Board or other Federal regulators, as of June 16, 2020, that fall within the definition of bank. (20 Edge Act institutions, 15 agreement corporations, and 168 foreign banking organizations). According to the National Credit Union Administration, there were 5,236 federally regulated credit unions as of December 31, 2019.

2 85 FR 68005, 68015-68018 (October 27, 2020).

3 As discussed in the next section, FinCEN assumes that the recordkeeping requirement burden in the Funds

must be adjusted for four factors: (i) the $10,000 threshold under the proposed CVC/LTDA reporting requirement is greater than the $3,000 threshold in the Funds Transfer / Travel Rule NPRM; (ii) the burden analyzed in the Funds Transfer / Travel Rule NPRM relates to transactions between hosted wallets and not transactions from hosted to unhosted wallets, and there may be more or fewer hosted-to-unhosted transactions at any level; (iii) some transactions below the transaction reporting threshold would be subject to reporting due to aggregation requirements; and (iv) the reporting burden under the proposed new CVC/LTDA reporting requirement may be more complex than the transmission requirement under the Funds Transfer / Travel Rule NPRM.[4]

As FinCEN noted in the Funds Transfer / Travel Rule NPRM PRA analysis, the estimated average burden hours would vary depending on the number of transactions conducted by a financial institution's customers with unhosted or otherwise covered wallets. In a recent publication commenting on the recent Funds Transfer / Funds Travel NPRM, the blockchain analytics firm CipherTrace estimated that the decrease in the applicable threshold for international transactions from $3,000 to $250 would increase the number of reportable transactions per month from approximately 27,300 to approximately 79,000.[5] Applying a constant elasticity model,[6] FinCEN estimates that approximately 60% as many transactions would occur above the $10,000 threshold.

In order to estimate the ratio of unhosted-to-hosted transactions to hosted-to-hosted transactions, FinCEN analyzed blockchain data related to all identifiable transactions by each of two major exchanges in September 2020 using blockchain analytic tools. FinCEN found that the ratio of unhosted-to-hosted to hosted-to-hosted transactions were approximately 1.52 and 2.39 in the $3,000 to $10,000 transaction range for the two exchanges, respectively. In the greater than $10,000 range the ratios were 1.40 and 1.64, respectively. In the analysis below, FinCEN uses the larger ratios, 2.39 and 1.64. Thus FinCEN will assume that 164% as many transactions would be covered by the reporting requirements at the $10,000 threshold under the proposed rule than the transmission requirements at the same threshold in the Funds Transfer / Travel Rule NPRM. Similarly, in the $3,000 to $10,000 range, FinCEN will assume 239% as many transactions would be covered by the proposed rule's recordkeeping and verification requirements described in the next section in comparison to the recordkeeping

Transfer / Travel Rule NPRM context is analogous to the recordkeeping / verification burden related to CVC/LTDA transaction reporting.

4 FinCEN anticipates that the number of transactions subject to the proposed reporting and recordkeeping related to wallets hosted by foreign financial institutions located in specified foreign jurisdictions would be modest and does not calculate additional burden in relation to this aspect of the rule.

5 CipherTrace, "FinCEN's Proposed Rule Change for Travel Rule Threshold Would More Than Double Compliance Events at US VASPs" (Nov. 13, 2020), *https://ciphertrace.com/fincens-proposed-rule-change-for-travel-rule-would-trigger-more-than-double-the-compliance-events-at-us-vasps/* (accessed Dec. 1, 2020).

6 Specifically, FinCEN fit an equation of the model $Y = CX^{\alpha}$ to the data from CipherTrace, where Y equals the number of transactions above a given threshold, X equals the threshold, C is a constant, and α is the percent change in Y per one-percent change in X. FinCEN used the calibrated values of C and α to extrapolate to the number of transactions above the $10,000 threshold.

requirements in the Funds Transfer / Travel Rule NPRM.

Thus, at the $10,000 threshold, we assume that only 60% as many transactions are occurring as at the $3,000 level, but that the number of such transactions which are unhosted-to-hosted are 164% of the amount of such transactions that are hosted-to-hosted, for a combined total scaling factor of 98.4%. To account for the fact that some transactions less than $10,000 will need to be aggregated due to aggregation requirements, we will assume that the total scaling factor is 148% (98.4% x 1.5).

In contrast to the PRA analysis used for the Funds Transfer / Travel Rule NPRM, the reporting burden of the proposed rule would possibly be more complicated than the requirement to transmit information in the Funds Transfer / Travel Rule NPRM given the variety of information required by the reporting form. For purposes of calculations, FinCEN assumes that the reporting burden would be twice as complex.[7] Therefore the total scaling factor applied to the Funds Transfer / Travel Rule NPRM PRA burden estimate for transmission burden is 2.96 (2.96 = 2 x 1.48). As a result, the estimated burden per MSB is 533 hours (180 hours (from Funds Transfer / Travel Rule NPRM PRA analysis) x 2.96).

Estimated Total Additional Annual Burden Hours: 10,542 hours (10,542 banks x 1 hour / bank) + 194,545 hours (365 MSBs x 533 hours / MSB) = 205,807 hours.

b. Recordkeeping and Verification Requirements Related to CVC and LTDA: [31 §§ CFR 1010.312, 1010.410(g), 1020.312, 1022.312]

The proposed rule would require banks and MSBs to keep records of, and verify the identity of their hosted wallet customers who participate in, transactions subject to the CVC/LTDA reporting requirements, *i.e.*, CVC/LTDA transactions involving hosted wallet customers and unhosted or otherwise covered wallets with a value aggregating to $10,000 or more. The proposed new recordkeeping requirement at 31 CFR 1010.410(g) likewise would require banks and MSBs to keep records of, and verify the identity of their hosted wallet customers who engage in, transactions with a value of more than $3,000. Furthermore, for transactions that are greater than $3,000, or that aggregate to more than $10,000, the name and physical address of each counterparty would need to be collected and, in the case of reportable transactions, reported.

Description of Recordkeepers: Banks and MSBs that conduct CVC or LTDA transactions on behalf of hosted wallet clients as senders or recipients in an amount above $3,000, or that aggregate to an amount above $10,000.

Estimated Number of Recordkeepers: 10,907 financial institutions. FinCEN estimates that there are approximately 5,306 federally regulated banks and 5,236 federally

7 The burden of collecting counterparty information that must be reported on the reporting form is considered in the next section.

regulated credit unions. FinCEN assesses that all of these banks and credit unions nominally engage in transactions involving CVC. FinCEN estimates that there are 365 MSBs that engage in CVC transactions.

Estimated Average Annual Burden Hours Per Recordkeeper: As noted in the previous section, FinCEN believes that the burden estimate for recordkeeping in the Funds Transfer / Travel Rule NPRM (240 hours per MSB) is analogous to the burden estimate for recordkeeping and verification requirements pursuant to the proposed new CVC/LTDA reporting requirement proposed by this rule.

All transactions subject to reporting would also be subject to recordkeeping and verification requirements, so the same analysis generating the assumption that 148% as many transactions would be subject to the reporting requirement proposed by this rule in comparison to the transactions subject to transmission requirements proposed by the Funds Transfer / Travel Rule NPRM also applies to the recordkeeping and verification requirements that would be imposed by the proposed rule for the recordkeeping and verification associated with the reporting requirement. However, this increase needs to be supplemented with the increase in transactions subject to proposed recordkeeping and verification under 31 CFR 1010.410(g) which are between $3,000 and $10,000. The 40% drop-off in transactions between $3,000 and $10,000 estimated above becomes the baseline universe of transactions in the $3,000 and $10,000 range. Applying the 239% scale factor used in the previous section to calculate the proportionate number of hosted-to-unhosted transactions, and making no adjustment for the fact that some transactions in this $3,000 to $10,000 range would contribute to aggregation for the purposes of the proposed new CVC/LTDA transaction reporting requirement and already be subject to verification, the total number of transactions that would be subject to verification and recordkeeping due to 31 CFR 1010.410(g) would increase by an additional 96% (0.4 * 2.39 = 0.956), for a total scaling factor of 244% (2.44 = 1.48 + 0.96).

However, FinCEN notes that the recordkeeping and verification requirements that would be imposed by the proposed rule are likely to be more burdensome than the collection and recordkeeping requirements of the Funds Transfer / Travel Rule NPRM. In particular, the requirements dealt with in the Funds Transfer / Travel Rule NPRM do not require verification in most cases. In contrast, the requirements proposed by this NPRM include the need to verify the hosted wallet customer in each transaction subject to the reporting or recordkeeping requirements, as well as to collect each counterparty’s name and physical address. As a result of the greater burden, FinCEN assumes for the purpose of this burden estimate that the proposed recordkeeping and verification burden of the requirements that would be imposed by the proposed rule is five times greater per transaction than the burden imposed under the recordkeeping requirements of the Funds Transfer / Travel Rule NPRM. Therefore the total scaling factor applied to the Funds Transfer / Travel Rule NPRM PRA burden estimate for transmission burden is 12.2 (12.2= 5 x 2.44). As a result, the estimated burden per MSB is 2,928 hours (240 hours (from Funds Transfer / Travel Rule NPRM PRA analysis) x 12.2).

Estimated Total Additional Annual Burden Hours: 10,542 hours (10,542 banks x 1 hour / bank) + 1,068,720 hours (365 MSBs x 2,928 hours / MSB) = 1,079,262 hours.

c. Total Annual Burden Hours Estimate as a Result of this Proposed Rule

205,087 (reporting requirements) + 1,079,262 hours (recordkeeping and verification requirements) = 1,284,349 hours.

13. Estimated annual cost to respondents for hour burdens:

Estimated annual cost of reporting requirement: 205,087 hours X $24 = $4,922,088[8]

Estimated annual cost of recordkeeping and verification requirement: 1,079,262 hours X $24 = $25,902,288[9]

Total annual cost: $30,824,376

14. Estimated Annual Cost to the Federal Government.

Estimated annual cost of the reporting requirement: 799,000[10] X $0.10[11] per filing = $79,900.

There is no cost to the Federal Government of the recordkeeping and verification requirement.

15. Change in Burden.

These are new requirements due to a proposed rule.

16. Plans for Tabulation, Statistical Analysis, and Publication.

The information will not be tabulated or compiled for publication.

17. Request Not To Display Expiration Date of the Office of Management and Budget Control Number.

8 The cost factor is the weighted average hourly cost of storing suspicious activity reports (SAR) and supporting documentation relied on in FinCEN's recent notice relating to the renewal of SAR collection requirements. *See* 85 FR 31598, 31607 (May 26, 2020).

9 *Id*.

10 FinCEN uses the CipherTrace estimate of monthly transactions at the $3,000 or greater level multiplied by 12 to obtain an annual transactions baseline and further multiplying by the 2.44 scaling factor calculated in the PRA analysis.

11 Cost per response received as listed in the BSA E-filing Federal contract for 2020.

FinCEN requests that it not be required to display the expiration date, in order to avoid confusion among stakeholders.

18. <u>Exceptions.</u>

There are no exceptions to the certification statement.