

Supporting Statement  
Office of Management and Budget Control Numbers 1506-0004,  
1506-0005, and 1506-0064

Bank Secrecy Act Reports of Transactions in Currency Regulations and FinCEN Form 112 - Currency Transaction Report (CTR)

1. Circumstances necessitating collection of information.

The legislative framework generally referred to as the Bank Secrecy Act (BSA) consists of the Currency and Foreign Transactions Reporting Act of 1970, as amended by the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001 (USA PATRIOT Act)<sup>1</sup> and other legislation, including the Anti-Money Laundering Act of 2020 (AML Act).<sup>2</sup> The BSA is codified at 12 U.S.C. 1829b and 1951–1960 and 31 U.S.C. 5311–5314 and 5316–5336, and notes thereto, with implementing regulations at 31 CFR Chapter X.

The BSA authorizes the Secretary of the Treasury (Secretary) to, *inter alia*, require financial institutions to keep records and file reports that are determined to have a high degree of usefulness in criminal, tax, or regulatory matters, risk assessments or proceedings, or in the conduct of intelligence or counter-intelligence activities to protect against terrorism, and to implement anti-money laundering (AML) programs and compliance procedures.<sup>3</sup> The authority of the Secretary to administer the BSA has been delegated to the Director of FinCEN.<sup>4</sup>

Under 31 U.S.C. 5313, the Secretary of the Treasury is authorized to require financial institutions to report currency transactions as prescribed by regulation. Regulations implementing 31 U.S.C. 5313 are found at 31 CFR 1010.310 through 1010.314, 31 CFR 1021.311, and 31 CFR 1021.313.

The regulations and related form correspond to the following OMB control numbers: 1506-0004, 1506-0005, and 1506-0064.<sup>5</sup> This supporting statement is being issued in connection with the renewal of OMB control numbers 1506-0004, 1506-0005,

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<sup>1</sup> USA PATRIOT Act, Pub. L. 107–56.

<sup>2</sup> The AML Act was enacted as Division F, sections 6001-6511, of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. 116-283, 134 Stat. 3388 (NDAA).

<sup>3</sup> Section 358 of the USA PATRIOT Act expanded the purpose of the BSA by including a reference to reports and records “that have a high degree of usefulness in intelligence or counterintelligence activities to protect against international terrorism.” See 12 U.S.C. 1829b(a). Section 6101 of the AML Act further expanded the purpose of the BSA to cover such matters as preventing money laundering, tracking illicit funds, assessing risk, and establishing appropriate frameworks for information sharing. See 31 U.S.C. 5311.

<sup>4</sup> Treasury Order 180-01 (Jan. 14, 2020).

<sup>5</sup> OMB control number 1506-0004 applies to General provisions - 31 CFR 1010.310 - Reports of transactions in currency, 31 CFR 1010.311 - Filing obligations for reports of transactions in currency, 31 CFR 1010.312 - Identification required, 31 CFR 1010.313 - Aggregation, and 31 CFR 1010.314 - Structured transactions. OMB control number 1506-0005 applies to Rules for casinos and card clubs - 31 CFR 1021.311 - Reports of transaction in currency and 31 CFR 1021.313 - Aggregation. OMB control number 1506-0064 applies to FinCEN Form 112 - CTR.

and 1506-0064. An administrative burden of one hour is assigned to each of the two CTR regulation OMB control numbers 1506-0004 and 1506-0005 in order to maintain the requirements in force.<sup>6</sup> The full reporting and recordkeeping burden associated with the reporting requirement is accounted for in FinCEN Form 112 – Currency Transaction Report (CTR) under OMB control number 1506-0064. The rationale for assigning the nominal amount of one burden hour to the two CTR regulation OMB control numbers 1506-0004 and 1506-0005 is that the annual burden hours would be double counted if FinCEN estimated the full burden of reporting in each CTR regulation OMB control number *and* in the CTR – Form 112 OMB control number.

## 2. Method of collection and use of data.

Financial institutions are required to report currency (cash or coin) transactions over \$10,000 conducted by, or on behalf of, one person, as well as multiple currency transactions that aggregate to over \$10,000 in a single day. These transactions are reported on CTRs. Financial institutions submit CTRs to FinCEN electronically via the BSA E-filing system.

FinCEN’s system of records for CTRs is the Bank Secrecy Act Reports System (the “BSA System”) - Treasury/FinCEN.003.<sup>7</sup> Information in the BSA System is distributed 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.

## 3. Use of improved information technology to reduce burden.

The BSA E-filing system supports electronic filing of BSA reports, including CTRs (either individually or in batches)<sup>8</sup> through a FinCEN secure network. BSA E-filing provides a faster and more convenient, secure, and cost-effective method for submitting BSA reports. Discrete and batch versions are 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 of CTRs.

## 4. Efforts to identify duplication.

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

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

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<sup>6</sup> One hour of burden is estimated under each of the following OMB control numbers: 1506-0004 and 1506-0005.

<sup>7</sup> See FinCEN, *Privacy Act of 1974, System of Records Notice*, [79 FR 20969](https://www.federalregister.gov/documents/2014/04/14/2014-08199) (Apr. 14, 2014).

<sup>8</sup> In batch-filing, a filer submits a single electronic file containing several reports. In discrete-filing, the filer fills in an electronic form individually, using a data entry screen that FinCEN provides.

FinCEN has actively encouraged filing institutions to avail themselves of existing filing exemptions whenever applicable.<sup>9</sup> However, CTRs 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 collections from entities of all sizes, the government’s efforts to counter financial crimes would be negatively impacted.

6. Consequences to the Federal government of not collecting the information.

CTRs 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 collections, the government’s efforts to counter financial crimes such as money laundering and the financing of terrorism would be negatively impacted.

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

The CTR reporting rules require financial institutions to file reports of currency transactions of more than \$10,000 within 15 days following the transaction. Reporting within this required time frame is necessary to ensure that information about these transactions can be promptly made available to law enforcement and regulators for their use in investigations.

Under 31 CFR 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. This retention period is necessary to allow for verification of compliance with the reporting requirement and 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.

On February 5, 2024, FinCEN published in the Federal Register a notice and request for comments of its intention to renew, without change, information collection requirements for the reports of transactions in currency regulations and FinCEN Form 112- Currency Transaction Report (“2024 Notice”).<sup>10</sup> The comment period closed on April 5, 2024. FinCEN received 42 public comments in response to the notice.

<sup>9</sup> See 31 CFR 1020.315 - Transactions of exempt persons and 31 CFR 1010.315 – Exemptions for non-bank financial institutions.

<sup>10</sup> See FinCEN, *Agency Information Collection Activities; Proposed Renewal; Comment Request; Renewal Without Change of Reports of Transactions in Currency Regulations and FinCEN Form 112- Currency Transaction Report*, [89 FR 7767](#) (Feb. 5, 2024).

One commenter supported maintaining the existing CTR threshold of \$10,000. 39 commenters encouraged FinCEN to increase the filing threshold and proposed various threshold amounts ranging from \$15,001 to \$100,000. Two commenters did not comment on the threshold. FinCEN observed that most of the proposed amounts were grounded on two primary arguments. Firstly, commenters expressed concern that the existing filing threshold resulted in an inordinate number of CTRs being filed which were not suspicious yet consumed significant compliance resources. Therefore, commenters argued that a higher filing threshold would reduce financial institutions' burden associated with filing, and provide more targeted, useful data for law enforcement and national security purposes. Commenters, including certain Members of Congress, also argued that the existing threshold did not account for inflation; therefore, the amount should be adjusted accordingly, whether on a one-time basis or on a set frequency such as once every five years. One commenter added that the current filing threshold contributed to de-risking of money services businesses.

11 commenters argued that FinCEN's eight-minute burden estimate for completing CTRs was either too low or did not account for various factors associated with assessing whether a CTR filing was necessary or identifying whether there are other individuals or accounts involved, amongst other factors.

In addition to comments related to the CTR filing threshold and the estimated burden associated with completing CTR filings, some commenters had specific recommendations regarding the CTR form and the filing process. Some of the specific recommendations from commenters included:

- Adding ability to update the date and amount on previously filed CTRs while retaining unchanged information.
- Providing greater transparency into the usefulness of CTRs to law enforcement as there was a perceived lack of follow-up from FinCEN and law enforcement.
- Eliminating or revising the CTR filing requirement when the transaction(s) also results in a suspicious activity report (SAR) filing, so that only one report must be filed.
- Adding a field on the CTR to include the purpose of the transaction, if known.
- Removing the requirement to include an additional Part 1 – Person Involved in Transaction(s) on the CTR for information pertaining to an individual who served a dual role (more than one Item 2 option applies to a Part I person).<sup>11</sup>
- Reviewing aggregation requirements.
- Providing “waivers,” or exemptions from CTR filing requirements.

These suggestions for modifications to the applicable regulations will be considered in FinCEN's ongoing review of CTR and SAR forms, processes, and thresholds, as required by sections 6204 and 6205 of the AML Act. FinCEN appreciates

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<sup>11</sup> See the FinCEN CTR Electronic Filing Requirements - Part I Person Involved in a Transaction(s) at [https://bsaeiling.fincen.treas.gov/docs/XMLUserGuide\\_FinCENCTR.pdf](https://bsaeiling.fincen.treas.gov/docs/XMLUserGuide_FinCENCTR.pdf).

these recommendations and will continue to evaluate ways to clarify CTR reporting requirements and minimize burden to the public. In connection with a variety of initiatives FinCEN is undertaking to implement the AML Act, FinCEN intends to conduct, in the future, additional assessments of the PRA burden associated with BSA requirements, including CTR requirements.

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

No payments or gifts were made to respondents.

10. Assurance of confidentiality of responses.

Information collected on the CTR is made available to appropriate agencies and organizations as disclosed in FinCEN's Privacy Act System of Records Notice (SORN) relating to BSA reports.<sup>12</sup>

11. Justification of sensitive questions.

The information requested concerns reports of currency transactions over \$10,000 conducted by, or on behalf of, one person, as well as multiple currency transactions that aggregate to over \$10,000 in a single day. Personally identifiable information, such as name, address, date of birth, and taxpayer identification number, are necessary to identify a party to a transaction covered by the CTR requirements. Any personally identifiable information collected under the BSA is strictly controlled as outlined in FinCEN's SORN.<sup>13</sup>

12. Estimated annual hourly burden.

Frequency: As required.

Estimated Burden of OMB Control Numbers 1506-0004 and 1506-0005:

An administrative burden of one hour is assigned to each of the CTR regulation OMB control numbers 1506-0004 and 1506-0005 to maintain the requirements in force.<sup>14</sup> The reporting and recordkeeping burden is reflected in FinCEN Form 112 - CTR, under OMB control number 1506-0064. The rationale for assigning the nominal amount of one burden hour to each of the CTR regulation OMB control numbers is that the annual burden hours would be double counted if FinCEN estimated burden in each CTR regulation OMB control number and, also, in the FinCEN Report 112 - CTR OMB control number.

Estimated Burden of OMB Control Number 1506-0064:

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<sup>12</sup> See FinCEN, *Privacy Act of 1974, Systems of Records Notice*, [79 FR 20969](#) (Apr. 14, 2014).

<sup>13</sup> *Id.*

<sup>14</sup> One hour of burden is estimated under each of the following OMB control numbers: 1506-0004 and 1506-0005.

Estimated Number of Respondents: 15,468 financial institutions.<sup>15</sup>

Estimated Total Annual Responses: 20,564,724 CTRs.<sup>16</sup>

Estimated Reporting and Recordkeeping Burden Per Response:

The average estimated PRA burden, measured in minutes per CTR, is approximately eight minutes.<sup>17</sup> On May 14, 2020, FinCEN issued a 60-day notice to renew the CTR OMB control numbers (“2020 Notice”). In the 2020 Notice, FinCEN proposed to expand the scope of factors to consider as part of the PRA burden of complying with CTR requirements. To better estimate the burden associated with complying with CTR requirements, FinCEN conducted an in-depth analysis of the population of 2019 CTR filing statistics, as described in the 2020 Notice. FinCEN analyzed the 2019 CTR filings grouped by a number of different factors, including the following: (i) how many CTRs the filer filed in a year; (ii) the filer’s financial institution type; (iii) the type of CTR submission (batch filing versus discrete filing); and (iv) the type of person(s) identified in the CTR (e.g., a person that conducts a transaction on its own behalf or a person that conducts a transaction on behalf of another). The analysis and calculations detailed in the 2020 Notice ultimately resulted in an estimate of approximately eight minutes of filer burden per CTR filed.

FinCEN received 18 public comments in response to the 2020 Notice. Commenters were generally supportive of FinCEN’s efforts to more accurately estimate the PRA burden associated with the CTR filing requirements. Some commenters had specific recommendations regarding factors for FinCEN to consider in future in-depth analysis of the CTR filing population. However, none of those commenters provided specific sources of data to contradict the burden estimate of eight minutes of burden per CTR filed. In the absence of public comments to suggest otherwise, FinCEN considers it reasonable to continue to use the estimate of eight minutes per CTR filed for the population of 2022 CTR filing statistics as outlined in the notice. Furthermore, in connection with a variety of initiatives FinCEN is undertaking to implement the AML Act, FinCEN intends to conduct, in the future, additional assessments of the PRA burden associated with BSA requirements, including CTR requirements.

Estimated Total Annual Reporting and Recordkeeping Burden: 2,741,963 hours.<sup>18</sup>

### 13. Estimated total annual cost burden of the information collection.

<sup>15</sup> This estimate is based on the observed number of unique filers associated with at least one CTR filing received in calendar year 2022, as reported by the BSA E-Filing System as of 12/31/2022.

<sup>16</sup> This estimate is based on the observed number of CTR filings received in calendar year 2022, as reported by the BSA E-Filing System as of 12/31/2022.

<sup>17</sup> See FinCEN, *Agency Information Collection Activities; Proposed Renewal; Comment Request; Renewal Without Change of the Bank Secrecy Act Reports of Transactions in Currency Regulations at 31 CFR 1010.310 Through 1010.314, 31 CFR 1021.311, and 31 CFR 1021.313, and FinCEN Report 112-Currency Transaction Report, 85 FR 29022* (May 14, 2020). Refer to 85 FR 29029 for the specific reference to the estimated recordkeeping and reporting burden estimate of eight minutes per CTR.

<sup>18</sup> This estimate is derived from the calculation 20,564,724 CTRs multiplied by eight minutes per CTR and converted to hours.

Estimated Total Annual Reporting and Recordkeeping Cost: \$76,007,214. This estimate applies the weighted average hourly cost of \$27.72 (derived in Tables 1 and 2 below) to the estimated total annual reporting and recordkeeping burden above (2,741,963 hours).<sup>19</sup>

Role	BLS - Code <sup>20</sup>	BLS - Name	Median Hourly Wage	Benefit Factor	Fully-Loaded Hourly Wage
Remote Supervision	11 – 3031	Financial Manager	\$ 67.21	1.42 <sup>21</sup>	\$ 95.44
Direct Supervision	13 – 1041	Compliance Officer	\$ 34.47	1.42	\$ 48.95
Operations	43 – 3071	Teller	\$ 17.49	1.42	\$ 24.84

Component	Remote Supervision			Direct Supervision			Operations			Weighted Average Hourly Cost
	% Time	Fully-Loaded Hourly Wage	Hourly Cost	% Time	Fully-Loaded Hourly Wage	Hourly Cost	% Time	Fully-Loaded Hourly Wage	Hourly Cost	
Record-keeping and Reporting	1%	\$95.44	\$ 0.95	9%	\$ 48.95	\$ 4.41	90%	\$ 24.84	\$ 22.36	\$ 27.72

<sup>19</sup> Tables 1 and 2, in the 2024 60-Notice, use the same methodology to estimate the weighted average hourly cost as was used in the 2020 Notice. The tables, however, include the most recent statistics available as described in further detail in the 2024 Notice.

<sup>20</sup> The average hourly wage rate is calculated from the May 2022 U.S. Bureau of Labor Statistics (BLS) median hourly wage for the BLS codes listed in Table 1. See BLS, *Occupational Employment and Wages Statistics* (May 2022), available at <https://www.bls.gov/oes/tables.htm>.

<sup>21</sup> The ratio between benefits and wages for private industry workers is \$12.19 (hourly benefits)/\$29.34 (hourly wages) = 0.42, as of September 2023. The benefit factor is 1 plus the benefit/wages ratio, or 1.42. See BLS, *Employee Costs for Employee Compensation* (September 2023), available at [ECEC Home : U.S. Bureau of Labor Statistics \(bls.gov\)](https://www.bls.gov/ecec/).

14. Estimated annual cost to the Federal government.

20,564,724<sup>22</sup> x \$0.10<sup>23</sup> per filing = \$2,056,472.40.

15. Reason for change in burden.

The estimated total annual burden hours increased by 616,971 hours from 2,124,992 hours in 2020 PRA renewal to 2,741,963 hours as part of the 2024 PRA renewal. The increase in burden is a result of an increase in the estimated annual responses, from 16,087,182 CTRs filed in calendar year 2019 to 20,564,724 CTRs filed in calendar year 2022.

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 OMB control number.

FinCEN requests that the expiration date of the control number relating to the CTR regulations and forms not be displayed on the regulations/form so that there is no confusion as to whether the form is still valid. This request will not affect the normal three-year PRA renewal process.

18. Exceptions to the certification statement.

There are no exceptions to the certification statement.

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<sup>22</sup> See supra note 16.

<sup>23</sup> The estimated cost per electronic response is calculated as part of an annual report FinCEN creates and provides to the Department of the Treasury and OMB, entitled The Cost per BSA Filing Transaction.