Supporting Statement
OMB Control Number 1506-XXXX
Permitted Payment Stablecoin Issuer (PPSI) Anti-Money Laundering/Countering the Financing of Terrorism (AML/CFT) Program Requirements

1. Circumstances necessitating collection of information.

The Financial Crimes Enforcement Network (FinCEN) is issuing this statement to support its request that the Office of Management and Budget (OMB) approve a proposed collection of information associated with a notice of proposed rulemaking (NPRM) under the Bank Secrecy Act (BSA) and the Guiding and Establishing National Innovation for U.S. Stablecoins Act (GENIUS Act).[1,2] On April 10, 2026, FinCEN and the Office of Foreign Assets Control (OFAC) published in the *Federal Register* a joint notice and request for comments on a proposed rule (the PPSI AML/CFT Program NPRM)[3] to implement provisions of the GENIUS Act.[4] Specifically, the proposed rule would implement the GENIUS Act's directive to treat permitted payment stablecoin issuers (PPSIs) as financial institutions for purposes of the BSA. The proposed rule would require PPSIs to, among other things, establish and maintain an anti-money laundering/countering the financing of terrorism (AML/CFT) program, and comply with other recordkeeping and reporting requirements under the BSA and the GENIUS Act.

2. Method of collection and use of data.

The proposed rule would require PPSIs to establish and maintain an AML/CFT program, file suspicious activity reports (SARs) and currency transaction reports (CTRs), conduct ongoing customer due diligence, record originator and beneficiary information for transactions, implement special information sharing procedures, and implement special due diligence measures for correspondent and private banking accounts.

The proposed requirements would help to ensure that PPSIs comply with the GENIUS Act and the BSA, including requirements related to retention and maintenance of reports and records, and ensure that such institutions are not used to facilitate money laundering or terrorist financing. These requirements will assist law enforcement in financial investigations, protect against terrorism and strengthen national security and improve financial institutions' ability to assess and mitigate risk. Compliance with these requirements will be reviewed by Federal agencies and the Internal Revenue Service to which FinCEN has proposed delegating examination authority.

[1] Certain parts of the Currency and Foreign Transactions Reporting Act, its amendments, and the other statutes relating to the subject matter of that Act, have come to be referred to as the BSA. These statutes are codified at 12 U.S.C. 1829b, 12 U.S.C. 1951-1960, and 31 U.S.C. 5311-5314 and 5316-5336 and notes thereto, with implementing regulations at 31 CFR chapter X.
[2] GENIUS Act, Pub. L. 119-27, 139 Stat. 419 (2025) (codified at 12 U.S.C. 5901-5916).
[3] OFAC and FinCEN, *Permitted Payment Stablecoin Issuer Anti-Money Laundering/Countering the Financing of Terrorism Program and Sanctions Compliance Program Requirements Notice of Proposed Rulemaking*, 91 FR 18582 (Apr. 10, 2026) (PPSI AML/CFT Program NPRM).
[4] OFAC will submit a request for a new OMB control number for the new recordkeeping requirements for testing and auditing for PPSIs to maintain a sanctions compliance program under this proposed rulemaking to implement the GENIUS Act.

The proposed rule would require PPSIs to submit SARs and CTRs to FinCEN electronically via the BSA E-filing system. FinCEN's system of records for SARs is the Suspicious Activity Report System (the "SAR System") - Treasury/FinCEN.002.[5] FinCEN's system of records for CTRs is the Bank Secrecy Act Reports System (the "BSA System") - Treasury/FinCEN.003.[6] The SAR System and the BSA System are maintained for the purpose of permitting coordinated and enhanced analysis and tracking, and rapid dissemination of SAR and CTR information. The information is made available to Federal, state, and local agencies that engage in criminal, regulatory and tax investigations and proceedings, agencies that engage in intelligence and counterintelligence activities, including analysis, to protect against international terrorism, certain self-regulatory organizations, appropriate foreign agencies, and foreign financial intelligence units

The proposed rule would require PPSIs to upon FinCEN's request (a "Section 314(a) Request"), search their records to determine whether they have maintained an account or conducted a transaction with a specified individual, entity, or organization. PPSI would be required to report any positive matches to FinCEN via FinCEN's secure portal. Responses to Section 314(a) Requests provide lead information only to Federal, state, local, and foreign (European Union) law enforcement agencies or to FinCEN and other appropriate components of Treasury.

3. Use of improved information technology to reduce burden.

FinCEN expects that compliance with the requirements will necessitate the use of information technology systems to file the information requested by FinCEN. PPSIs may —but are not required—to automate their AML/CFT program to meet their requirements. As it relates to PPSIs filing SARs and CTRs, FinCEN expects that compliance with the requirements will necessitate the use of information technology systems to file the information requested by FinCEN. Reports will be filed electronically through the BSA E-Filing System. BSA E-Filing provides a fast, secure, convenient, and cost-effective method for submitting BSA reports. As it relates to PPSIs responding to 314(a) Request, FinCEN posts 314(a) Request files to its secure portal. The files are available for download in .csv, .txt, and .doc. Providing downloads in multiple formats would reduce burden on PPSI by allowing them to automate the search of their records in a format that is compatible with their software and systems. PPSIs would file positive responses to 314(a) Requests through FinCEN's secure portal.

4. Efforts to identify duplication.

There is no identical or similar information available, and therefore no duplication.

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

FinCEN's proposed requirements under the GENIUS Act and the BSA are intended to be risk-based and reasonably designed and their cost is largely based on factors directly correlated

[5] *See* FinCEN, *Privacy Act of 1974, System of Records Notice*, 79 FR 20969 (Apr. 14, 2014).
[6] *Id.*

with the size of a PPSI, along with the risk level of its activities and customers. The proposed requirements therefore have some inherent flexibility whereby small entities serving a smaller number of customers are likely to have lower costs.

6. Consequences to the Federal government of not collecting the information or less frequent collections.

A PPSI would be required to maintain a copy of its AML/CFT program in writing and make the written program and all certifications that it has implemented an AML/CFT program available for inspection upon request by FinCEN or one of its delegated examiners. If the information were not collected, or were collected less frequently, FinCEN and its delegated examiners would be unable to effectively assess financial institutions' compliance with the BSA.

A PPSI would be required to file SARs and CTRs. SARs and 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, such as money laundering and the financing of terrorism, would be negatively impacted.

A PPSI would be required to respond to 314(a) Requests. A failure to collect positive responses to 314(a) Requests could hamper law enforcement efforts to detect illegal activity while it is still ongoing and discernible. The timely reporting of this information may provide law enforcement with important investigative leads to take appropriate action, including tracing criminal proceeds, gathering additional evidence, seizing funds, and stopping the movement of funds before criminal elements can change their schemes for disposing of the profits of illegal activity.

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

Under 31 CFR 1010.430(d), all records that are required to be retained by 31 CFR chapter X, including a written copy of the AML/CFT program, must be retained for a period of five years. Records must also be kept for five years to verify compliance with the requirement to maintain such a program, as such record may relate to civil penalty actions 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.

Treasury issued an advance notice of proposed rulemaking (ANPRM) in September 2025 seeking public comment on potential Treasury regulations implementing the GENIUS Act.[7] In

[7] Treasury, *GENIUS Act Implementation*, 90 FR at 45159 (Sept. 19, 2025). The ANPRM solicited comment on a range of potential Treasury efforts related to the GENIUS Act and payment stablecoins that are not pertinent to the

pertinent part, the ANPRM asked questions related to definitions used in the GENIUS Act; the GENIUS Act's BSA, AML, and sanctions program provisions; and the potential costs and benefits associated with BSA and sanctions obligations.[8] Treasury received approximately 450 timely comments to the ANPRM from a variety of stakeholders, including banks and credit unions, stablecoin issuers, digital asset exchanges, analytics companies, law firms, trade associations, non-governmental organizations, technology firms, academics, and members of the public. Treasury reviewed and considered germane comments in crafting the PPSI AML/CFT Program NPRM. In general, commenters supported applying BSA and sanctions program obligations to PPSIs.

On April 10, 2026, FinCEN published the PPSI AML/CFT Program NPRM. The public comment period on the proposed rule closes on June 9, 2026.[9]

9. <u>Explanation of decision to provide any payment or gift to respondents.</u>

No payments or gifts were made to respondents.

10. <u>Assurance of confidentiality of responses.</u>

The information collected would be available to Treasury, its designee, and other authorized agencies, along with all other reports required to be reported under the BSA. All such information collections under the BSA must be used by such agencies consistent with a purpose set forth in 31 U.S.C. § 5311, including furthering a criminal, tax, or regulatory investigation, risk assessment, or proceeding, or use in intelligence or counterintelligence activities, including analysis, to protect against terrorism.

11. <u>Justification of sensitive questions.</u>

There are no questions of a sensitive nature in the collection of information. Any personally identifiable information collected under the BSA is strictly controlled as outlined in FinCEN's Systems of Records Notice.[10]

12. <u>Estimated burden.</u>

<u>Frequency:</u> As required.

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obligation underpinning this supporting statement. For example, the ANPRM included questions related to the GENIUS Act prohibition on digital asset service providers offering and selling a payment stablecoin to any person in the United States absent certain conditions. *Id.* at 45160–61. The ANPRM also included questions related to Treasury's role in determining whether a state-level regulatory regime is substantially similar to the Federal framework, and whether a foreign country's regulatory and supervisory regime is comparable to the U.S. framework. *Id.* at 45162–63.

[8] *Id.* at 45161–63.

[9] *See* the PPSI AML/CFT Program NPRM.

[10] *See supra note* 5.

Estimated Number of Respondents: 50 PPSIs.[11]

Estimated Total Annual Burden Hours: 33,577 hours.[12]

Table 1. Summary of the PRA Burden and Costs, by Respondent Type

Respondent Type	Hours per Respondent[a]	Number of Respondents	Total Burden Hours	Total Costs by Respondent Type
Insured Depository Institutions-Subsidiary PPSIs	671	30	20,116	$2,506,051
Other PPSIs	673	20	13,461	$1,676,930
Total		**50**	**33,577**	**$4,182,981**

[a] Hourly burden figures presented here are rounded to the nearest hundredth of an hour for presentation purposes. Total burden figures are produced using unrounded figures for accuracy.

13. Estimated total annual cost burden.

Estimated Total Annual Aggregate Cost: $4,182,981 (33,577 hours multiplied by $124.58[13]).[14]

14. Estimated annual cost to the Federal government.

To implement the proposed rule, FinCEN expects to incur certain operating costs that would include approximately $5.9 million in the first effective year of the final rule and approximately $2.9 million on average in each subsequent year. These estimates include anticipated expenses related to stakeholder outreach and informational support, compliance

[11] *See* the PPSI AML/CFT Program NPRM, at section XII.E.1.i.

[12] For the burden hours and costs per activity covered under this OMB control number (i.e., those associated with establishing and maintaining the written AML/CFT program (including program approval, storing the program, and producing it upon request); ongoing customer due diligence; beneficial ownership information-related customer due diligence; recordkeeping and reporting of Currency Transaction Reports; recordkeeping and reporting of Suspicious Activity Reports; recordkeeping of unfiled suspicious activity cases; Recordkeeping and Travel Rule requirements; information sharing requirements (section 314(a)); establishing and developing the enhanced due diligence program (including program approval), and compliance with special measures), see the PPSI AML/CFT Program NPRM, at sections XII.E.1.ii and iii, 91 FR at 18653-18656.

[13] To arrive at this wage rate, FinCEN first derives a general composite hourly wage of $87.61 using Bureau of Labor Statistics (BLS) May 2024 mean wage data. *See May 2024—National industry-specific and by ownership*, https://www.bls.gov/oes/tables.htm. This composite is calculated by averaging wages across six occupations (11-1010, 11-3021, 11-3031, 13-1041, 23-1010, and 43-3099) and nine groupings of North American Industry Classification System codes that are most comparable to the 11 categories of affected financial institutions in 31 CFR parts 1020–1030. FinCEN then adjusts this base wage to reflect total employer costs, including benefits. To do so, it applies a private sector benefits factor of 1.42, calculated from BLS Employer Costs for Employee Compensation data for private industry workers as of June 2024 (total compensation of $43.94 divided by wages and salaries of $30.90). *Employer Costs for Employee Compensation* data, https://www.bls.gov/news.release/archives/ecec_09102024.pdf. Applying this factor to the composite wage results in a fully loaded hourly rate of $124.58 ($87.61 × 1.42), which reflects total compensation, including benefits such as insurance and paid leave.

[14] This estimate does not include non-labor costs.

monitoring, and potential enforcement activities, as well as certain incremental increases to pre-existing technological infrastructure, administrative, and other logistic expenses, primarily related to data collection and analysis.

15. Reason for change in burden.

None. This is a new proposed collection of information.

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

This collection of information will not be tabulated or compiled for publication.

17. Request not to display the OMB expiration date.

FinCEN requests that it not be required to display the expiration date so that the regulations will not have to be amended for the new expiration date every three years. 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.