Supporting Statement
OMB Control Number 1506–0083

Special Measures Regarding Huione Group as a Foreign Financial Institution of Primary Money Laundering Concern

1. Circumstances that make the collection necessary:

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),[1] and other legislation, including the Anti-Money Laundering Act of 2020 (AML Act).[2] The BSA is codified at 12 U.S.C. 1829b and 1951–1960, 31 U.S.C. 5311–5314 and 5316–5336, including notes thereto, with implementing regulations at 31 CFR Chapter X.

The BSA authorizes the Secretary of the Treasury (Secretary), *inter alia*, to require financial institutions to keep records and file reports that are determined to have a high degree of usefulness in criminal, tax, or regulatory investigations, risk assessments or proceedings, or in intelligence or counter-intelligence activities, including analysis, to protect against terrorism, and to implement anti-money laundering/countering the financing of terrorism (AML/CFT) programs and compliance procedures.[3] The Secretary has delegated to the Director of the Financial Crimes Enforcement Network (FinCEN) the authority to administer the BSA.[4]

Section 311 of the USA PATRIOT Act, codified at 31 U.S.C. 5318A, grants FinCEN the authority, upon finding that reasonable grounds exist for concluding that a foreign jurisdiction, financial institution, class of transactions, or type of account is of "primary money laundering concern," to require domestic financial institutions and financial agencies to take one or more "special measures."

Special measures one through four, codified at 31 U.S.C. 5318A(b)(1)–(b)(4), impose additional recordkeeping, information collection, and reporting requirements on covered U.S. financial institutions. Special measure five, codified at 31 U.S.C. 5318A(b)(5), allows FinCEN to impose prohibitions or conditions on the opening or maintaining in the United States of certain correspondent accounts. Special measures are safeguards that protect the U.S. financial system from money laundering and terrorist financing.

1 Pub. L. No. 107–56, 115 Stat. 272 (Oct. 26, 2001).
2 The AML Act was enacted as Division F, 6001-6511, of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Pub. L. No. 116-283, 134 Stat. 3388 (2021).
3 *See* 31 U.S.C. 5311(1) – (2).
4 Treasury Order 180-01 (*reaffirmed* Jan. 14, 2020); *see also* 31 U.S.C. 310(b)(2)(I) (providing that the Director of FinCEN "[a]dminister the requirements of subchapter II of chapter 53 of this title, chapter 2 of title I of Public Law 91–508, and section 21 of the Federal Deposit Insurance Act, to the extent delegated such authority by the Secretary.").

On May 5, 2025, FinCEN issued a notice of proposed rulemaking (NPRM) finding that reasonable grounds exist for concluding that Huione Group is a foreign financial institution of primary money laundering concern[5] as a result of its facilitation of (1) cyber heists carried out by the Democratic People's Republic of Korea; and (2) convertible virtual currency investment scams carried out by Southeast Asia-based transnational criminal organizations (TCOs), which frequently involve human trafficking and forced labor. On October 16, 2025, FinCEN finalized this rule, imposing special measure five, prohibiting covered financial institutions from opening or maintaining a correspondent or payable through account for or on behalf of Huione Group. These actions targeted Huione Group and the following components: Haowang Guarantee, Huione Pay PLC, and Huione Crypto.[6]

As proposed by the NPRM, the proposed rule would amend the definition of Huione Group to include "H-Pay Service PLC and any successor entity" of Huione Group, and would further add and define the term "successor entity." The proposed rule would also require U.S. financial institutions to notify their foreign correspondent account holders that they may not provide H-Pay Service PLC (H-Pay), and any successor entity, with access to correspondent accounts maintained at the U.S. financial institution. The requirement is intended to ensure cooperation from correspondent account holders in preventing H-Pay and any successor entity to Huione Group from accessing the U.S. financial system. U.S. financial institutions are required to document compliance with the notification requirement. The information will be used by Federal agencies and certain self-regulatory organizations to verify compliance with the rule.

2. Use of the information:

The collection of information in the proposed rule relates to both disclosure and recordkeeping. The information required to be disclosed by U.S. financial institutions to third-parties—i.e., a one-time notice to correspondent account holders—is intended to ensure cooperation from correspondent account holders in preventing both H-Pay and any successor entity's access to the U.S. financial system, as well as to increase awareness within the international financial community of the risks and deficiencies of H-Pay. A one-time notice to correspondent account holders would be required for H-Pay and a subsequent one-time notice to correspondent account holders would be required for each potential successor entity. The information required to be maintained by U.S. financial institutions will be used by Federal agencies and certain self-regulatory organizations to verify compliance with the requirement that a U.S. financial institution notify its correspondent account holders that they may not provide H-Pay and any successor entity with access to the correspondent account maintained at the institution.

5 FinCEN, NPRM, *Special Measure Regarding Huione Group, a Foreign Financial Institution of Primary Money Laundering Concern*, 90 FR 18934 (May 5, 2025).
6 FinCEN, *Imposition of Special Measure Regarding Huione Group as a Financial Institution of Primary Money Laundering Concern*, 90 FR 48295 (Oct. 16, 2025).

3. Use of improved information technology to reduce burden:

Under the proposed rule, satisfactory notice is given by transmitting a one-time notice[7] by mail, fax, or e-mail, or by including the notice in the next regularly occurring transmittal from the U.S. financial institution to its correspondent account holders. U.S. financial institutions may use any method of information technology to document their compliance with the notice requirement in the proposed rule, including keeping an electronic copy of the actual notice that is sent to financial institutions.

4. Efforts to identify duplication:

This proposed rule is unique in that it is the only federal rule identifying H-Pay and any potential identified successor entity as a "primary money laundering concern" and prohibiting U.S. financial institutions from opening or maintaining a correspondent account for, or on behalf of Huione Group, including H-Pay and any potential identified successor entity.

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

Typically, U.S. financial institutions engaged in correspondent banking are large financial institutions. The one-time notice[8] to correspondent account holders and the requirement to document compliance with that notice requirement are further not expected to cumulatively impose a significant economic burden on U.S. financial institutions. For these reasons, FinCEN does not anticipate that the proposed rulemaking will have a significant impact on a substantial number of small financial institutions or other potentially affected businesses. Accordingly, FinCEN certifies that this rule will not have a significant economic impact on a substantial number of small entities.

6. Consequences to Federal program or policy activities if collection is not conducted or is conducted less frequently:

Under the proposed rule, a U.S. financial institution is required to notify its correspondent account holders that they may not provide H-Pay, and any successor entity, with access to a correspondent account maintained at the U.S. financial institution. The failure to transmit such notice will make it more difficult for the special measure to achieve its goal of preventing H-Pay's access to the U.S. financial system. Further, a U.S. financial institution is required to document its compliance with the requirement. Failure to maintain such documentation will make it impossible to verify compliance with the requirement, and by extension, to guard against the use of the U.S. financial system by a financial institution found to be of primary money laundering concern.

7 A one-time notice to correspondent account holders would be required for H-Pay and a subsequent one-time notice to correspondent account holders would be required for each potential successor entity.
8 *Id*.

7. Special circumstances requiring data collection inconsistent with the 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 must be retained for a period of five years. The requirement that financial institutions maintain records of notification to their foreign correspondent account holders must be kept for five years to verify compliance with the requirement as such records may relate to civil penalty actions that are subject to statutes of limitation longer than three years.

8. Efforts to consult with persons outside the agency.

On June 25, 2026, FinCEN published in the Federal Register a notice and request for comments of its intention to impose information collection requirements in connection with the imposition of a special measure concerning H-Pay, and any successor entity, as a financial institution of primary money laundering concern.[9]

9. Payment or gift to respondents.

No payments or gifts will be provided to respondents.

10. Assurance of confidentiality provided to respondents and basis for the assurance in statute, regulation, or agency policy:

The information collected would be available to Treasury or its designee to verify compliance with the notice requirement; all such information collections under the BSA must be used 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. Justification for questions of a sensitive nature:

There are no questions of a sensitive nature in the collection of information, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private. Any personally identifiable information collected under the BSA is strictly controlled as outlined in FinCEN's Privacy Act System of Records Notice for BSA reports.[10]

---

9 FinCEN, *Proposal of Special Measure regarding H-Pay Service PLC, as a Foreign Financial Institution of Primary Money Laundering Concern*, 91 FR 38340 (June 25, 2026), proposed to be codified at 31 CFR 1010.664 (hereafter referred to as the "June 25, 2026 Huione Group NPRM"). The public comment period closes on July 27, 2026.

10 FinCEN, *Privacy Act of 1974, as Amended; System of Records Notice (FinCEN .002 - Suspicious Activity Report System)*, 79 FR 20969 (Apr. 14, 2014); FinCEN, *Privacy Act of 1974, as Amended; System of Records Notice (FinCEN .003 - Bank Secrecy Act Reports System)*, 79 FR 20969 (Apr. 14, 2014) both available at Federal Register :: Privacy Act of 1974, as Amended; System of Records Notice.

12. Estimated burden:

Frequency: As required.

Estimated Number of Respondents:

Estimated Number of Potential Respondents: Approximately 14,575. [11]

Estimated Number of Expected Respondents: Approximately 129.[12]

Estimated Burden per Respondent: 3.06 hours.[13]

Estimated Aggregate Average Annual Burden Hours: 394.5 hours (129 respondents multiplied by 3.06 hours).[14]

13. Estimated total annual cost burden:

Estimated Average Total Annual Burden Cost: $49,150 (394.5 hours multiplied by $124.58).[15]

FinCEN has not separately estimated, or assigned a dollar value to, the non-labor costs associated with this information collection requirement.

The incremental portion of the estimated annual recordkeeping and disclosure burden attributable to the amendments proposed in the NPRM consists of an additional average 2.88 hours per respondent, which results in an increase in aggregate average total annual burden of 370.9 hours and an increase in estimated aggregate average total cost of $46,204.

14. Estimated annual cost to the Federal government:

11 *See* the June 25, 2026 Huione Group NPRM, Table 1 at section VI.D.

12 While this regulation applies to all covered institutions described in Table 1 of the June 25, 2026 Huione Group NPRM, in practice the burden would be imposed on only select institutions that maintain correspondent accounts for foreign banks, which include a subpopulation of banks, broker-dealers in securities, futures commission merchants and introducing brokers in commodities, and mutual funds. *See* the June 25, 2026 Huione Group NPRM, Table 2 at section VI.D.

13 *See* the June 25, 2026 Huione Group NPRM, Tables 3 through 5 at section VI.D.

14 *Id*.

15 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.

FinCEN does not expect the proposed rule to incrementally increase annual costs to the Federal government.

15. Change in burden:

The change in burden discussed above is both a result of (1) the average annual 2.88-hour burden associated with extending the scope of the required collection of information by including the additional parties defined in 1010.664(a)(1), as amended, and 1010.664(a)(6) and (2) an increase in the number of expected affected parties based on growth in the population of potentially affected parties in the year since the original rule was promulgated.

16. Plans for tabulation or publication:

There are no plans for tabulation or publication.

17. Reason why display of expiration date for OMB approval is not appropriate:

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.

18. Exception to the certification statement in OMB Form 83-I:

There are no exceptions to the certification statement.