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DEPARTMENT OF THE TREASURY

31 CFR Part 50

Office of Foreign Assets Control

31 CFR Parts 501, 535, 536, 538, 539, 541, 542, 543, 544, 546, 547, 548, 549, 560, 561, 566, 576, 588, 592, 594, 595, 597, and 598

Financial Crimes Enforcement Network

31 CFR Part 1010

Inflation Adjustment of Civil Monetary Penalties

AGENCY: Departmental Offices, Financial Crimes Enforcement Network, and Office of Foreign Assets Control, Treasury.

ACTION: Final rule.

SUMMARY: The Department of the Treasury (“Department” or “Treasury”) publishes this final rule to adjust its civil monetary penalties (“CMPs”) for inflation as mandated by the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (collectively referred to herein as “the Act”). This rule adjusts CMPs within the jurisdiction of certain components of the Department to the maximum amount required by the Act.

DATES: Effective [INSERT DATE OF PUBLICATION IN THE FEDERAL REGISTER].

FOR FURTHER INFORMATION CONTACT: For information regarding the Terrorism Risk Insurance Program’s CMPs, contact Richard Ifft, Senior Insurance Regulatory Policy Analyst, Federal Insurance Office, Room 1410 MT, Department of the Treasury, 1500 Pennsylvania Avenue NW, Washington, DC 20220, at (202) 622-2922 (not a toll-free number), Kevin Meehan, Senior Insurance Regulatory Policy Analyst, Federal Insurance Office, at (202)

622-7009 (not a toll-free number), or Lindsey Baldwin, Senior Policy Analyst, Federal Insurance Office, at (202) 622-3220 (not a toll free number). Persons who have difficulty hearing or speaking may access these numbers via TTY by calling the toll-free Federal Relay Service at (800) 877-8339.

For information regarding Financial Crimes Enforcement Network's CMPs, contact the FinCEN Resource Center at (800) 767-2825 or email frc@fincen.gov.

For information regarding the Office of Foreign Assets Control's CMPs, contact the Assistant Director for Enforcement, tel.: 202-622-2430; Assistant Director for Licensing, tel.: 202-622-2480, Assistant Director for Regulatory Affairs, tel.: 202-622-4855, Assistant Director for Sanctions Compliance & Evaluation, tel.: 202-622-2490; or the Department of the Treasury's Office of the Chief Counsel (Foreign Assets Control), Office of the General Counsel, tel.: 202-622-2410.

SUPPLEMENTARY INFORMATION:

I. Background

In order to improve the effectiveness of CMPs and to maintain their deterrent effect, the Federal Civil Penalties Inflation Adjustment Act of 1990, 28 U.S.C. 2461 note ("the Inflation Adjustment Act"), as amended by the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Pub. L. 114-74) ("the 2015 Act"), requires Federal agencies to adjust each CMP provided by law within the jurisdiction of the agency. The 2015 Act requires agencies to adjust the level of CMPs with an initial "catch-up" adjustment through an interim final rulemaking and to make subsequent annual adjustments for inflation, notwithstanding 5 U.S.C. 553. The Department's initial catch-up adjustment interim final rules were published on

June 30, 2016 (FinCEN) (81 FR 42503), July 1, 2016 (OFAC) (81 FR 43070), and December 7, 2016 (Departmental Offices) (81 FR 88600). The 2015 Act provides that any increase in a CMP shall apply to CMPs that are assessed after the date the increase takes effect, regardless of whether the underlying violation predated such increase.¹

II. Method of Calculation

The method of calculating CMP adjustments applied in this final rule is required by the 2015 Act. Under the 2015 Act and the Office of Management and Budget guidance required by the 2015 Act, annual inflation adjustments subsequent to the initial catch-up adjustment are to be based on the percent change between the Consumer Price Index for all Urban Consumers (“CPI-U”) for the October preceding the date of the adjustment and the prior year’s October CPI-U. As set forth in Office of Management and Budget Memorandum M-17-11, the adjustment multiplier for 2017 is 1.01636. In order to complete the 2017 annual adjustment, each CMP (as revised by the catch-up adjustment) is multiplied by the 2017 adjustment multiplier. Under the 2015 Act, any increase in CMP must be rounded to the nearest multiple of \$1.

Procedural Matters

1. Administrative Procedure Act

The Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Section 701(b)) requires agencies, effective 2017, to make annual adjustments for inflation to CMPs notwithstanding 5 U.S.C. 553. Additionally, the methodology used, effective 2017, for adjusting CMPs for inflation is provided by statute, with no discretion provided to agencies regarding the substance of the adjustments for inflation to CMPs. The Department is charged only with performing ministerial computations to determine the dollar amount of adjustments for inflation

¹ However, the increased CMPs apply only with respect to underlying violations occurring after the date of enactment of the 2015 Act, i.e., after November 2, 2015.

to CMPs. Accordingly, prior public notice and an opportunity for public comment are not required for this rule.

2. Regulatory Flexibility Act

Because no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) do not apply.

3. Executive Order 12866

This rule is not a significant regulatory action as defined in section 3.f of Executive Order 12866.

4. Paperwork Reduction Act

The provisions of the Paperwork Reduction Act of 1995, Pub. L. 104-13, 44 U.S.C. Chapter 35, and its implementing regulations, 5 CFR part 1320, do not apply to this rule because there are no new or revised recordkeeping or reporting requirements.

List of Subjects

31 CFR Part 50

Insurance, Terrorism.

31 CFR Parts 501, 535, 536, 538, 539, 541, 542, 543, 544, 546, 547, 548, 549, 560, 561, 566, 576, 588, 592, 594, 595, 597, and 598

Administrative practice and procedure, Banks, Banking, Blocking of assets, Exports, Foreign trade, Licensing, Penalties, Sanctions.

31 CFR Part 1010

Authority delegations (Government agencies), Banks and banking, Currency, Investigations, Law enforcement, Reporting and recordkeeping requirements.

Authority and Issuance

For the reasons set forth in the preamble, part 50, chapter V, and part 1010 of title 31 of the Code of Federal Regulations are amended as follows:

PART 50—TERRORISM RISK INSURANCE PROGRAM

1. The authority citation for part 50 continues to read as follows:

Authority: 5 U.S.C. 301; 31 U.S.C. 321; Title I, Pub. L. 107-297, 116 Stat. 2322, as amended by Pub. L. 109-144, 119 Stat. 2660, Pub. L. 110-160, 121 Stat. 1839 and Pub. L. 114-1, 129 Stat. 3 (15 U.S.C. 6701 note); Pub. L. 114-74, 129 Stat. 601, Title VII (28 U.S.C. 2461 note).

2. Revise § 50.83(a) to read as follows:

§ 50.83 Adjustment of civil monetary penalty amount.

(a) Inflation adjustment. Any penalty under the Act and these regulations may not exceed the greater of \$1,333,312 and, in the case of any failure to pay, charge, collect or remit amounts in accordance with the Act or these regulations such amount in dispute.

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PART 501—REPORTING, PROCEDURES AND PENALTIES REGULATIONS

3. The authority citation for part 501 continues to read as follows:

Authority: 8 U.S.C. 1189; 18 U.S.C. 2332d, 2339B; 19 U.S.C. 3901-3913; 21 U.S.C. 1901-1908; 22 U.S.C. 287c; 22 U.S.C. 2370(a), 6009, 6032, 7205; 28 U.S.C. 2461 note; 31 U.S.C. 321(b); 50 U.S.C. 1701-1706; 50 U.S.C. App. 1-44.

Subpart D—Trading With the Enemy Act (TWEA) Penalties

4. Revise the note to paragraph (a)(1) and paragraph (a)(3) of § 501.701 to read as follows:

§ 501.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, TWEA provides for a maximum civil penalty not to exceed \$85,236.

* * * * *

(3) The Secretary of the Treasury may impose a civil penalty of not more than \$85,236 per violation on any person who violates any license, order, or regulation issued under TWEA.

Note to paragraph (a)(3): The current civil penalty cap may be adjusted for inflation pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note).

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5. Revise paragraphs (i) and (ii) and the note to paragraph (a) of section V.B.2.a of appendix A to part 501 to read as follows:

Appendix A to Part 501—Economic Sanctions Enforcement Guidelines

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V. Civil Penalties

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B. * * *

2. * * *

a. * * *

i. In a non-egregious case, if the apparent violation is disclosed through a voluntary self-disclosure by the Subject Person, the base amount of the proposed civil penalty in the Pre-Penalty Notice shall be one-half of the transaction value, capped at a maximum base amount of \$144,619 per violation, except where the statutory maximum penalty applicable to the apparent violation is less than \$289,238, in which case the base amount of the proposed civil penalty in

the Pre-Penalty Notice shall be capped at one-half the statutory maximum penalty applicable to the apparent violation.

ii. In a non-egregious case, if the apparent violation comes to OFAC's attention by means other than a voluntary self-disclosure, the base amount of the proposed civil penalty in the Pre-Penalty Notice shall be the “applicable schedule amount,” as defined above. For apparent violations where the statutory maximum penalty applicable to the apparent violation is \$289,238 or greater, the maximum base amount shall be capped at \$289,238. For apparent violations where the statutory maximum penalty applicable to the apparent violation is less than \$289,238, the maximum base amount shall be capped at the statutory maximum penalty amount applicable to the apparent violation.

* * * * *

Note to paragraph (a): As of January 15, 2017, the applicable statutory maximum civil penalty per violation for each statute enforced by OFAC is as follows: International Emergency Economic Powers Act (IEEPA) — greater of \$289,238 or twice the amount of the underlying transaction; Trading with the Enemy Act (TWEA) — \$85,236; Foreign Narcotics Kingpin Designation Act (FNKDA) — \$1,437,153; Antiterrorism and Effective Death Penalty Act of 1996 (AEDPA) — greater of \$76,351 or twice the amount of which a financial institution was required to retain possession or control; and Clean Diamond Trade Act (CDTA) — \$13,066. The civil penalty amounts authorized under these statutes are subject to adjustment pursuant to the Federal Civil Penalties Inflation Adjustment Act of 1990 (Pub. L. 101-410, as amended, 28 U.S.C. 2461 note).

The following matrix represents the base amount of the proposed civil penalty for each category of violation:

BASE PENALTY MATRIX

Egregious Case

		NO	YES
Voluntary Self-Disclosure	YES	(1) One-Half of Transaction Value (capped at <u>lesser</u> of \$144,619 <u>or</u> one-half of the applicable statutory maximum per violation)	(3) One-Half of Applicable Statutory Maximum
	NO	(2) Applicable Schedule Amount (capped at <u>lesser</u> of \$289,238 <u>or</u> the applicable statutory maximum per violation)	(4) Applicable Statutory Maximum

* * * * *

PART 535—IRANIAN ASSETS CONTROL REGULATIONS

6. The authority citation for part 535 continues to read as follows:

Authority: 3 U.S.C. 301; 18 U.S.C. 2332d; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011; E.O. 12170, 44 FR 65729, 3 CFR, 1979 Comp., p. 457; E.O. 12205, 45 FR 24099, 3 CFR, 1980 Comp., p. 248; E.O. 12211, 45 FR 26685, 3 CFR, 1980 Comp., p. 253; E.O. 12276, 46 FR 7913, 3 CFR, 1981 Comp., p. 104; E.O. 12279, 46 FR 7919, 3 CFR, 1981 Comp., p. 109; E.O. 12280, 46 FR 7921, 3 CFR, 1981 Comp., p. 110; E.O. 12281, 46 FR 7923, 3 CFR, 1981 Comp., p. 112; E.O. 12282, 46 FR 7925, 3 CFR, 1981 Comp., p. 113; E.O. 12283, 46 FR 7927, 3 CFR, 1981 Comp., p. 114; and E.O. 12294, 46 FR 14111, 3 CFR, 1981 Comp., p. 139.

Subpart G—Penalties

7. Revise the note to paragraph (a)(1) of § 535.701 to read as follows:

§ 535.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of the Act is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

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PART 536—NARCOTICS TRAFFICKING SANCTIONS REGULATIONS

8. The authority citation for part 536 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011; E.O. 12978, 60 FR 54579, 3 CFR, 1995 Comp., p. 415; E.O. 13286, 68 FR 10619, 3 CFR, 2003 Comp., p. 166.

Subpart G—Penalties

9. Revise the note to paragraph (a)(1) of § 536.701 to read as follows:

§ 536.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of the Act is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

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PART 538—SUDANESE SANCTIONS REGULATIONS

10. The authority citation for part 538 continues to read as follows:

Authority: 3 U.S.C. 301; 18 U.S.C. 2339B, 2332d; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); 22 U.S.C. 7201-7211; Pub. L. 109-344, 120 Stat. 1869; Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); E.O. 13067, 62 FR 59989, 3 CFR, 1997 Comp., p. 230; E.O. 13412, 71 FR 61369, 3 CFR, 2006 Comp., p. 244.

Subpart G—Penalties

11. Revise the note to paragraph (a)(1) of § 538.701 to read as follows:

§ 538.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of the Act is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

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PART 539—WEAPONS OF MASS DESTRUCTION TRADE CONTROL REGULATIONS

12. The authority citation for part 539 continues to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 2751-2799aa-2; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121

Stat. 1011; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 13094, 63 FR 40803, 3 CFR, 1998 Comp., p. 200.

Subpart G—Penalties

13. Revise the note to paragraph (a)(1) of § 539.701 to read as follows:

§ 539.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of the Act is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

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PART 541—ZIMBABWE SANCTIONS REGULATIONS

14. The authority citation for part 541 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); E.O. 13288, 68 FR 11457, 3 CFR, 2003 Comp., p. 186; E.O. 13391, 70 FR 71201, 3 CFR, 2005 Comp., p. 206; E.O. 13469, 73 FR 43841, 3 CFR, 2008 Comp., p. 1025.

Subpart G—Penalties

15. Revise the note to paragraph (a)(1) of § 541.701 to read as follows:

§ 541.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of IEEPA is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

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PART 542—SYRIAN SANCTIONS REGULATIONS

16. The authority citation for part 542 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 18 U.S.C. 2332d; 22 U.S.C. 287c; 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1701 note); E.O. 13338, 69 FR 26751, 3 CFR, 2004 Comp., p. 168; E.O. 13399, 71 FR 25059, 3 CFR, 2006 Comp., p. 218; E.O. 13460, 73 FR 8991, 3 CFR 2008 Comp., p. 181; E.O. 13572, 76 FR 24787, 3 CFR 2011 Comp., p. 236; E.O. 13573, 76 FR 29143, 3 CFR 2011 Comp., p. 241; E.O. 13582, 76 FR 52209, 3 CFR 2011 Comp., p. 264; E.O. 13606, 77 FR 24571, 3 CFR 2012 Comp., p. 243.

Subpart G—Penalties

17. Revise the note to paragraph (a)(1) of § 542.701 to read as follows:

§ 542.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of IEEPA is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

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PART 543—COTE D’IVOIRE SANCTIONS REGULATIONS

18. The authority citation for part 543 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; 22 U.S.C. 287c; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); E.O. 13396, 71 FR 7389, 3 CFR, 2006 Comp., p. 209.

Subpart G—Penalties

19. Revise the note to paragraph (a)(1) of § 543.701 to read as follows:

§ 543.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of IEEPA is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

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PART 544—WEAPONS OF MASS DESTRUCTION PROLIFERATORS SANCTIONS REGULATIONS

20. The authority citation for part 544 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Public Law 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Public Law 110-96, 121 Stat. 1011; E.O. 12938, 59 FR 59099, 3 CFR, 1994 Comp., p. 950; E.O. 13094, 63 FR 40803, 3 CFR, 1998 Comp., p. 200; E.O. 13382, 70 FR 38567, 3 CFR, 2005 Comp., p. 170.

Subpart G—Penalties

21. Revise the note to paragraph (a)(1) of § 544.701 to read as follows:

§ 544.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of IEEPA is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

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PART 546—DARFUR SANCTIONS REGULATIONS

22. The authority citation for part 546 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; 22 U.S.C. 287c; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); E.O. 13067, 62 FR 59989, 3 CFR, 1997 Comp., p. 230; E.O. 13400, 71 FR 25483, 3 CFR, 2006 Comp., p. 220.

Subpart G—Penalties

231. Revise the note to paragraph (a)(1) of § 546.701 to read as follows:

§ 546.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of IEEPA is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

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**PART 547—DEMOCRATIC REPUBLIC OF THE CONGO SANCTIONS
REGULATIONS**

24. The authority citation for part 547 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; 22 U.S.C. 287c; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); E.O. 13413, 71 FR 64105, 3 CFR, 2006 Comp., p. 247.

Subpart G—Penalties

25. Revise the note to paragraph (a)(1) of § 547.701 to read as follows:

§ 547.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of IEEPA is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

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PART 548—BELARUS SANCTIONS REGULATIONS

26. The authority citation for part 548 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); E.O. 13405, 71 FR 35485; 3 CFR, 2007 Comp., p. 231.

Subpart G—Penalties

27. Revise the note to paragraph (a)(1) of § 548.701 to read as follows:

§ 548.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of IEEPA is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

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PART 549—LEBANON SANCTIONS REGULATIONS

28. The authority citation for part 549 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); E.O. 13441, 72 FR 43499, 3 CFR, 2008 Comp., p. 232.

Subpart G—Penalties

29. Revise the note to paragraph (a)(1) of § 549.701 to read as follows:

§ 549.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of IEEPA is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

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PART 560—IRANIAN TRANSACTIONS AND SANCTIONS REGULATIONS

30. The authority citation for part 560 continues to read as follows:

Authority: 3 U.S.C. 301; 18 U.S.C. 2339B, 2332d; 22 U.S.C. 2349aa-9; 22 U.S.C. 7201-7211; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Public Law 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Public Law 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); Public Law 111-195, 124 Stat. 1312 (22 U.S.C. 8501-8551); Public Law 112-81, 125 Stat. 1298 (22 U.S.C. 8513a); Public Law 112-158, 126 Stat. 1214 (22 U.S.C. 8701-8795); E.O. 12613, 52 FR 41940, 3 CFR, 1987 Comp., p. 256; E.O. 12957, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; E.O. 12959, 60 FR 24757, 3 CFR, 1995 Comp., p. 356; E.O. 13059, 62 FR 44531, 3 CFR, 1997 Comp., p. 217; E.O. 13599, 77 FR 6659, 3 CFR, 2012 Comp., p. 215; E.O. 13628, 77 FR 62139, 3 CFR, 2012 Comp., p. 314.

Subpart G—Penalties

31. Revise the note to paragraph (a)(1) of § 560.701 to read as follows:

§ 560.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of IEEPA is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

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PART 561—IRANIAN FINANCIAL SANCTIONS REGULATIONS

32. The authority citation for part 561 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); Pub. L. 111-195, 124 Stat. 1312 (22 U.S.C. 8501-8551); Pub. L. 112-81, 125 Stat. 1298 (22 U.S.C. 8513a); Pub. L. 112-158, 126 Stat. 1214 (22 U.S.C. 8701-8795); E.O. 12957, 60 FR 14615, 3 CFR, 1995 Comp., p. 332; E.O. 13553, 75 FR 60567, 3 CFR, 2010 Comp., p. 253; E.O. 13599, 77 FR 6659, February 8, 2012; E.O. 13622, 77 FR 45897, August 2, 2012; E.O. 13628, 77 FR 62139, October 12, 2012.

Subpart G—Penalties

33. Revise the note to paragraph (a) of § 561.701 to read as follows:

§ 561.701 Penalties.

(a) * * *

Note to paragraph (a): As of January 15, 2017, the applicable maximum civil penalty per violation of IEEPA is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

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PART 566—HIZBALLAH FINANCIAL SANCTIONS REGULATIONS

34. The authority citation for part 566 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); Pub. L. 114-102.

Subpart G—Penalties

35. Revise the note to paragraph (a) of § 566.701 to read as follows:

§ 566.701 Penalties.

(a) * * *

Note to paragraph (a): As of January 15, 2017, the applicable maximum civil penalty per violation of IEEPA is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

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PART 576—IRAQ STABILIZATION AND INSURGENCY SANCTIONS

REGULATIONS

36. The authority citation for part 576 continues to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 287c; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 110-96, 121 Stat. 1011; E.O. 13303, 68 FR 31931, 3 CFR, 2003 Comp., p. 227; E.O. 13315, 68 FR 52315, 3 CFR, 2003 Comp., p. 252; E.O. 13350, 69 FR 46055, 3 CFR, 2004 Comp., p. 196; E.O. 13364, 69 FR 70177, 3 CFR, 2004 Comp., p. 236; E.O. 13438, 72 FR 39719, 3 CFR, 2007 Comp., p. 224.

Subpart G—Penalties

37. Revise the note to paragraph (a)(1) of § 576.701 to read as follows:

§ 576.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of IEEPA is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

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PART 588—WESTERN BALKANS STABILIZATION REGULATIONS

38. The authority citation for part 588 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011 (50 U.S.C. 1705 note); E.O. 13219, 66 FR 34777, 3 CFR, 2001 Comp., p. 778; E.O. 13304, 68 FR 32315, 3 CFR, 2004 Comp. p. 229.

Subpart G—Penalties

39. Revise the note to paragraph (a)(1) of § 588.701 to read as follows:

§ 588.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of IEEPA is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

* * * * *

PART 592—ROUGH DIAMONDS CONTROL REGULATIONS

40. The authority citation for part 592 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); Pub. L. 108-19, 117 Stat. 631 (19 U.S.C. 3901-3913); E.O. 13312, 68 FR 45151 3 CFR, 2003 Comp., p. 246.

Subpart F—Penalties

41. Revise the note to paragraph (a)(1) of § 592.601 to read as follows:

§ 592.601 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of the Act is \$13,066.

* * * * *

PART 594—GLOBAL TERRORISM SANCTIONS REGULATIONS

42. The authority citation for part 594 continues to read as follows:

Authority: 3 U.S.C. 301; 22 U.S.C. 287c; 31 U.S.C. 321(b); 50 U.S.C. 1601-1651, 1701-1706; Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110-96, 121 Stat. 1011; E.O. 13224, 66 FR 49079, 3 CFR, 2001 Comp., p. 786; E.O. 13268, 67 FR 44751, 3 CFR, 2002 Comp., p. 240; E.O. 13284, 68 FR 4075, 3 CFR, 2003 Comp., p. 161; E.O. 13372, 70 FR 8499, 3 CFR, 2006 Comp., p. 159.

Subpart G—Penalties

43. Revise the note to paragraph (a)(1) of § 594.701 to read as follows:

§ 594.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of the Act is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

* * * * *

PART 595—TERRORISM SANCTIONS REGULATIONS

44. The authority citation for part 595 continues to read as follows:

Authority: 3 U.S.C. 301; 31 U.S.C. 321(b); 50 U.S.C. 1601–1651, 1701–1706; Pub. L. 101–410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 110–96, 121 Stat. 1011; E.O. 12947, 60 FR 5079, 3 CFR, 1995 Comp., p. 319; E.O. 13099, 63 FR 45167, 3 CFR, 1998 Comp., p. 208; E.O. 13372, 70 FR 8499, 3 CFR, 2006 Comp., p. 159.

Subpart G—Penalties

45. Revise the note to paragraph (a)(1) of § 595.701 to read as follows:

§ 595.701 Penalties.

(a) * * *

(1) * * *

Note to paragraph (a)(1): As of January 15, 2017, the applicable maximum civil penalty per violation of the Act is the greater of \$289,238 or an amount that is twice the amount of the transaction that is the basis of the violation with respect to which the penalty is imposed.

* * * * *

PART 597—FOREIGN TERRORIST ORGANIZATIONS SANCTIONS REGULATIONS

46. The authority citation for part 597 continues to read as follows:

Authority: 31 U.S.C. 321(b); Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note); Pub. L. 104-132, 110 Stat. 1214, 1248-53 (8 U.S.C. 1189, 18 U.S.C. 2339B).

Subpart G—Penalties

47. Revise the note to paragraph (b) of § 597.701 to read as follows:

§ 597.701 Penalties.

* * * * *

(b) * * *

Note to paragraph (b): As of January 15, 2017, the applicable maximum civil penalty per violation is \$76,351 or twice the amount of which a financial institution was required to retain possession or control.

* * * * *

PART 598—FOREIGN NARCOTICS KINGPIN SANCTIONS REGULATIONS

48. The authority citation for part 598 continues to read as follows:

Authority: 3 U.S.C. 301; 21 U.S.C. 1901-1908; 31 U.S.C. 321(b); Pub. L. 101-410, 104 Stat. 890 (28 U.S.C. 2461 note).

Subpart G—Penalties

49. Revise the note to paragraph (a)(3) of § 598.701 to read as follows:

§ 598.701 Penalties.

(a) * * *

(3) * * *

Note to paragraph (a)(3): As of January 15, 2017, the maximum civil penalty is \$1,437,153 per violation.

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PART 1010 – GENERAL PROVISIONS

50. The authority citation for part 1010 continues to read as follows:

Authority: 12 U.S.C. 1829b and 1951-1959; 31 U.S.C. 5311-5314 and 5316-5332; title III, sec. 314, Pub. L. 107-56, 115 Stat. 307; sec. 701, Pub. L. 114-74, 129 Stat. 599.

51. Amend §1010.821 by revising Table 1 of paragraph (b) to read as follows:

§ 1010.821 Penalty adjustment and table.

* * * * *

(b) * * *

Table 1 of § 1010.821 – Penalty Adjustment Table

U.S. Code Citation	Civil Monetary Penalty Description	Penalties as last amended by Statute	New Maximum Penalty Amounts or Range of Minimum and Maximum Penalty Amounts for penalties assessed after 8/1/2016 but before 1/16/2017	New Maximum Penalty Amounts or Range of Minimum and Maximum Penalty Amounts for penalties assessed after 1/15/2017
12 U.S.C. 1829b(j)	Relating to Recordkeeping Violations For Funds Transfers	\$10,000	\$19,787	\$20,111
12 U.S.C. 1955	Willful or Grossly Negligent Recordkeeping Violations	\$10,000	\$19,787	\$20,111
31 U.S.C. 5318(k)(3)(C)	Failure to Terminate Correspondent Relationship with Foreign Bank	\$10,000	\$13,384	\$13,603
31 U.S.C. 5321(a)(1)	General Civil Penalty Provision for Willful Violations of Bank Secrecy Act Requirements	\$25,000 - \$100,000	\$53,907 - \$215,628	\$54,789 - \$219,156
31 U.S.C. 5321(a)(5)(B)(i).	Foreign Financial Agency Transaction – Non-Willful Violation of Transaction	\$10,000	\$12,459	\$12,663
31 U.S.C. 5321(a)(5)(C)	Foreign Financial Agency Transaction – Willful Violation of Transaction	\$100,000	\$124,588	\$126,626
31 U.S.C. 5321(a)(6)(A)	Negligent Violation by Financial Institution or Non-Financial Trade or Business	\$500	\$1,078	\$1,096
31 U.S.C. 5321(a)(6)(B)	Pattern of Negligent Activity by Financial Institution or Non-Financial Trade or	\$50,000	\$83,864	\$85,236

	Business			
31 U.S.C. 5321(a)(7)	Violation of Certain Due Diligence Requirements, Prohibition on Correspondent Accounts for Shell Banks, and Special Measures	\$1,000,000	\$1,338,420	\$1,360,317
31 U.S.C. 5330(e)	Civil Penalty for Failure to Register as Money Transmitting Business	\$5,000	\$7,954	\$8,084

David R. Pearl,
Executive Secretary.

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