



BILLING CODE: 4810-02

DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

Agency Information Collection Activities; Proposed Renewal; Comment Request;

Renewal without Change of the Registration of Money Services Businesses

Regulation and FinCEN Form 107

AGENCY: Financial Crimes Enforcement Network (“FinCEN”), Treasury.

ACTION: Notice and request for comments.

SUMMARY: As part of its continuing effort to reduce paperwork and respondent burden, FinCEN invites comments on the proposed renewal, without change, to a currently approved information collection regarding registration of money services businesses regulations and FinCEN Form 107 - Registration of Money Services Business (“RMSB”). Money services businesses (“MSBs”) must register with FinCEN using FinCEN Form 107, renew their registration every two years, and maintain a list of their agents. This request for comments is made pursuant to the Paperwork Reduction Act of 1995.

DATES: Written comments are welcome and must be received on or before **[INSERT DATE 60 DAYS AFTER THE DATE OF PUBLICATION IN THE *FEDERAL REGISTER*]**.

ADDRESSES: Comments may be submitted by any of the following methods:

- Federal E-rulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments. Refer to Docket Number FINCEN-2019-0008 and the Office of Management and Budget (“OMB”) control number 1506-0013.

• Mail: Policy Division, Financial Crimes Enforcement Network, P.O. Box 39, Vienna, VA 22183. Refer to Docket Number FINCEN-2019-0008 and OMB control number 1506-0013.

Please submit comments by one method only. All comments submitted in response to this notice will become a matter of public record. Therefore, you should submit only information that you wish to make publicly available.

FOR FURTHER INFORMATION CONTACT: The FinCEN Resource Center at 800-767-2825 or electronically at frc@fincen.gov.

SUPPLEMENTARY INFORMATION:

I. Statutory and Regulatory Provisions

FinCEN exercises regulatory functions under the Currency and Financial Transactions Reporting Act of 1970, as amended by the USA PATRIOT Act of 2001 and other legislation. This legislative framework is commonly referred to as the Bank Secrecy Act (“BSA”).¹ The Secretary of the Treasury has delegated to the Director of FinCEN the authority to implement, administer, and enforce compliance with the BSA and associated regulations.² Pursuant to this authority, FinCEN may issue regulations requiring financial institutions to keep records and file reports that “have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings, or in the conduct of intelligence or counterintelligence activities, including analysis, to protect against international terrorism.”³

¹ The BSA, Titles I and II of Public Law 91-508, as amended, codified at 12 U.S.C. 1829b, 12 U.S.C. 1951–1959, and 31 U.S.C. 5311–5314 and 5316–5332 and notes thereto, with implementing regulations at 31 CFR Chapter X. *See* 31 CFR 1010.100(e).

² Treasury Order 180-01 (Jul. 1, 2014).

³ 31 U.S.C. 5311.

Under 31 U.S.C. 5330 and its implementing regulation (31 CFR 1022.380), MSBs⁴ must file an initial registration form with FinCEN, renew their registration every two years, re-register under certain circumstances, and maintain a list of their agents.

Registration

Each MSB, with a few exceptions, must register with the FinCEN. The information required by 31 U.S.C 5330 and any other information required by FinCEN Form 107 must be reported in the manner and to the extent required by the form.⁵ The registration form for the initial registration period must be filed on or before the end of the 180-day period beginning on the day following the date the business is established. MSBs must renew their registration every two years, on or before December 31. MSBs must re-register with FinCEN not later than 180 days after the following: change in ownership, transfer of 10 percent voting or equity interest, or 50 percent increase in agents.⁶ MSBs must maintain a copy of any registration form filed under 31 CFR 1022.380 at a location in the United States for a period of five years.

Maintenance of an Agent List

A person that is an MSB solely because that person serves as an agent of another MSB is not required to register.⁷ However, MSBs are required to prepare and maintain a list of their agents.⁸ The list must be revised each January 1, for the immediately preceding 12-month period. The list is not filed with the registration

⁴ See 31 CFR 1010.100(ff).

⁵ See Registration of Money Services Business (RMSB) Electronic Filing Instructions. Release Date July 2014 – Version 1.0.

https://www.fincen.gov/sites/default/files/shared/FinCENRMSB_ElectronicFilingInstructions.pdf .

⁶ See 31 CFR 1022.380(b)(4).

⁷ See 31 CFR 1022.380(a)(3).

⁸ See 31 CFR 1022.380(d).

form, but must be maintained at the location in the United States, reported on the registration form. Upon request, MSBs must make the list of agents available to FinCEN, any appropriate law enforcement agency, or the Internal Revenue Service for its delegated examination authority.

The information collected and retained under the regulations addressed in this notice assists Federal, state, and local law enforcement, as well as regulatory authorities, in the identification, investigation, and prosecution of money laundering and other matters. The collection of information is mandatory.

II. Paperwork Reduction Act (“PRA”)⁹

Title: Registration of Money Services Businesses (31 CFR 1022.380).

OMB Number: 1506-0013.

Form Number: FinCEN Form 107 - Registration of Money Services Business (RMSB).

Abstract: FinCEN is issuing this notice to renew the OMB control number for the Registration of Money Services Businesses regulation and FinCEN Form 107 (RMSB).

Type of Review: Renewal without change of a currently approved information collection.

Affected public: Business or other for-profit institutions.

Initial Registration

Frequency: As required.

Estimated Burden per Respondent: FinCEN estimates that the hourly burden of filing and maintaining a copy of the initial RMSB form is 1 hour and 10 minutes. (1 hour to fill out the form and file it, and 10 minutes to save the form electronically and print out a copy to maintain). FinCEN stipulates that the information required to be included on the

⁹ Pub. L. 104-13, 44 U.S.C. 3506(c)(2)(A).

form is basic information MSBs need to maintain to conduct business. The e-filing system prompts MSBs to save the registration form after submission.

Estimated Number of Respondents: 3,478 MSBs.¹⁰

Estimated Total Annual Burden Hours: 4,058 hours.¹¹

Registration Renewal

Frequency: Every two years.

Estimated Burden per Respondent: FinCEN estimates that the hourly burden of filing and maintaining a copy of the renewal of the RMSB form is 40 minutes (30 minutes to revise the form and file it, and 10 minutes to save the form electronically and print out a copy to maintain). FinCEN stipulates that the information required to be included on the form is basic information MSBs need to maintain to conduct business. In addition, FinCEN's e-filing system allows MSBs to open a previously filed RMSB form and the electronic form is pre-populated with the information from the prior filing. MSBs can amend Part I by selecting item 1b (renewal) and submit the form. MSBs can update any information required on the form prior to submitting the form electronically. The e-filing system prompts MSBs to save the registration form after submission.

Estimated Number of Respondents: 8,678 MSBs.¹²

Estimated Total Annual Burden Hours: 5,785 hours.¹³

Re-Registration

Frequency: As required.

¹⁰ FinCEN looked at the number of initial RMSBs filed in each of the calendar years 2015 through 2019. The average number of initial filings for the period of five years is 3,478.

¹¹ 3,478 MSBs multiplied by 70 minutes and converted to hours is 4,058 hours.

¹² FinCEN looked at the number of RMSB renewals filed in each of the calendar years 2015 through 2019. The average number of renewals for the period of five years is 8,678.

¹³ 8,678 MSBs multiplied by 40 minutes and converted to hours equals 5,785 hours.

Estimated Burden per Respondent: FinCEN estimates that the hourly burden of filing and maintaining a copy of the re-registration of the RMSB form is 40 minutes (30 minutes to revise the form and file it, and 10 minutes to save the form electronically and print out a copy to maintain). FinCEN stipulates that the information required to be included on the form is basic information MSBs need to maintain to conduct business. In addition, FinCEN's e-filing system allows MSBs to open a previously filed RMSB form and the electronic form is pre-populated with the information from the prior filing. MSBs can amend Part I by selecting item 1d (re-registration) and selecting the appropriate response in item 2. MSBs can amend the applicable information required on the form and submit it electronically. The e-filing system prompts MSBs to save the registration form after submission.

Estimated Number of Respondents: 225 MSBs.¹⁴

Estimated Total Annual Burden Hours: 150 hours.¹⁵

Maintenance of Agent List

Frequency: Annually.

Estimated Burden: FinCEN estimates that the hourly burden of drafting an agent list and revising it annually is 30 minutes per MSB. FinCEN stipulates that the information required to be included on an agent list is basic information MSBs need to maintain to conduct business. FinCEN does not require the MSB to maintain the list in any particular format; therefore, the MSB can leverage its business records to create and revise the list.

Estimated Number of Respondents: 24,027.¹⁶

¹⁴ FinCEN looked at the number of RMSBs re-registered in each of the calendar years 2015 through 2019. The average number of re-registrations for the period of five years is 225.

¹⁵ 225 MSBs multiplied by 40 minutes and converted to hours is 150 hours.

Estimated Total Annual Burden Hours: 12,014 hours.¹⁷

Grand Total Annual Burden Hours for this Information Collection: 22,007 hours.¹⁸

An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection of information displays a valid OMB control number. Records required to be retained under the BSA must be retained for five years. Generally, information collected pursuant to the BSA is confidential, but may be shared as provided by law with regulatory and law enforcement authorities.

Request for Comments:

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval. All comments will become a matter of public record. Comments are invited on: (a) whether the collection of information is necessary for the proper performance of the functions of the agency, including whether the information shall have practical utility; (b) the accuracy of the agency's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information to be collected; (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology; and (e) estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

¹⁶ FinCEN looked at the total number of active MSB registration forms as of December 1 for each of the calendar years 2015 through 2019. This includes active registration forms for initial filings, renewals, and re-registrations. The average number of MSBs registered on December 1 for the period of five years is 24,027.

¹⁷ 24,027 MSBs multiplied by 30 minutes and converted to hours is 12,014 hours.

¹⁸ The grand total annual burden hours for this information collection represents the total annual burden hours to file initial RMSBs, renewals, and re-registrations, and to maintain agent lists (4,058 + 5,785 + 150 + 12,014 = 22,007).

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