

Use of Large-Value Funds Transfers for Money Laundering; Rescission of Policy Statement

AGENCY: Federal Deposit Insurance Corporation (FDIC).

ACTION: Rescission of policy statement.

SUMMARY: As part of the FDIC's systematic review of its regulations and written policies under section 303(a) of the Riegle Community Development and Regulatory Improvement Act of 1994 (CDRI), the FDIC is rescinding its adoption of the policy statement (Statement) concerning the problem of the use of large-value funds transfers for money laundering. The Statement recommends that banks obtain and maintain certain records with respect to funds transfers sent or received in the normal course of business. The FDIC is rescinding the adoption of the Statement because it was replaced by an amendment to the Bank Secrecy Act regulations.

DATES: This Statement is rescinded on January 31, 1997.

FOR FURTHER INFORMATION CONTACT: R. Eugene Seitz, Review Examiner, (202) 898-6793, Division of Supervision; Barbara Katron, Counsel, (202) 736-0564, Legal Division, FDIC, 550 17th Street, N.W., Washington, D.C. 20429.

SUPPLEMENTARY INFORMATION: The FDIC is conducting a systematic review of its regulations and written policies. Section 303(a) of the CDRI (12 U.S.C. 4803(a)) requires each federal banking agency to streamline and modify its regulations and written policies in order to improve efficiency, reduce unnecessary costs, and eliminate unwarranted constraints on credit availability. Section 303(a) also requires each federal banking agency to remove inconsistencies and outmoded and duplicative requirements from its regulations and written policies.

As part of this review, the FDIC has determined that the Statement is outmoded, and that the FDIC's written policies can be streamlined by its elimination.

The Statement was published on March 17, 1993, 58 FR 14400, effective December 8, 1992, by the Federal Financial Institutions Examination Council (FFIEC). The Statement recommended that banks obtain and maintain certain records concerning funds transfers originated or received. The FFIEC adopted the Statement upon the recommendation of the Financial Action Task Force (FATF) as a means to assist law enforcement agencies in the identification and documentation of parties to funds transfers. Each federal

banking agency subsequently adopted the Statement.

On January 3, 1995, the Department of the Treasury and the Board of Governors of the Federal Reserve System jointly published in the Federal Register an amendment to the Bank Secrecy Act (BSA) regulations that requires financial institutions to obtain and maintain records concerning funds transfers originated or received by the institutions. The recordkeeping requirements contained in the amendment to the BSA regulations are the same as those recommended in the Statement. The amendment to the BSA regulations became effective May 28, 1996; the Statement has become duplicative and, therefore, unnecessary.

On September 13, 1996, the FFIEC voted to rescind the Statement.

For the above reasons, the FDIC's adoption of the Statement is hereby rescinded.

Dated at Washington, D.C., this 21st day of January, 1997.

By Order of the Board of Directors.
Federal Deposit Insurance Corporation.
Jerry L. Langley,
Executive Secretary.

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FEDERAL RESERVE SYSTEM

Agency Information Collection Activities: Proposed Collection; Comment Request

AGENCY: Board of Governors of the Federal Reserve System
ACTION: Notice

BACKGROUND: On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board of Governors of the Federal Reserve System (Board) its approval authority under the Paperwork Reduction Act, as per 5 CFR 1320.16, to approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board under conditions set forth in 5 CFR 1320 Appendix A.1. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number. Board-approved collections of information will be incorporated into the official OMB inventory of currently approved collections of information. A copy of the OMB 83-I and supporting

statement and the approved collection of information instrument will be placed into OMB's public docket files. The following information collection, which is being handled under this delegated authority, has received initial Board approval and is hereby published for comment. At the end of the comment period, the proposed information collection, along with an analysis of comments and recommendations received, will be submitted to the Board for final approval under OMB delegated authority. Comments are invited on the following:

a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;

b. The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;

c. Ways to enhance the quality, utility, and clarity of the information to be collected; and

d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology.

DATES: Comments must be submitted on or before April 1, 1997.

ADDRESSES: Comments, which should refer to the OMB control number or agency form number, should be addressed to William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, DC 20551, or delivered to the Board's mail room between 8:45 a.m. and 5:15 p.m., and to the security control room outside of those hours. Both the mail room and the security control room are accessible from the courtyard entrance on 20th Street between Constitution Avenue and C Street, N.W. Comments received may be inspected in room M-P-500 between 9:00 a.m. and 5:00 p.m., except as provided in section 261.8 of the Board's Rules Regarding Availability of Information, 12 CFR 261.8(a).

A copy of the comments may also be submitted to the OMB desk officer for the Board: Alexander T. Hunt, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 3208, Washington, DC 20503.

FOR FURTHER INFORMATION CONTACT: A copy of the proposed form and instructions, the Paperwork Reduction Act Submission (OMB 83-I), supporting statement, and other documents that will be placed into OMB's public docket files once approved may be requested