

■ **Par. 6.** Section 1.6662–8 is added to read as follows:

§ 1.6662–8 Inconsistent estate basis reporting.

(a) *In general.* Section 6662(a) and (b)(8) impose an accuracy-related penalty on the portion of any underpayment of tax required to be shown on a return that is attributable to an inconsistent estate basis.

(b) *Inconsistent estate basis.* In accordance with section 6662(k), there is an *inconsistent estate basis* to the extent that a taxpayer claims a basis, without regard to the adjustments described in § 1.1014–10(a)(2), in property described in paragraph (c) of this section that exceeds that property's final value as determined under § 1.1014–10(c).

(c) *Applicable property.* The property to which this section applies is property described in § 1.1014–10(b) that is reported or required to be reported on a return required by section 6018 filed after July 31, 2015.

(d) *Effective/applicability date.* Upon the publication of the Treasury Decision adopting these rules as final in the **Federal Register**, this section will apply to property described in § 1.1014–10(b) acquired from a decedent or by reason of the death of a decedent whose return required by section 6018 is filed after July 31, 2015. Persons may rely upon these rules before the date of publication of the Treasury Decision adopting these rules as final in the **Federal Register**.

PART 301—PROCEDURE AND ADMINISTRATION

■ **Par. 7.** The authority citation for part 301 continues to read in part as follows:

Authority: 26 U.S.C. 7805 * * *

■ **Par. 8.** Section 301.6721–1 is amended by removing the word “or” at the end of paragraph (g)(2)(x), removing the period and adding “; or” at the end of paragraph (g)(2)(xi), and adding paragraph (g)(2)(xii).

The addition reads as follows:

§ 301.6721–1 Failure to file correct information returns.

* * * * *

(g) * * *
(2) * * *

(xii) Section 6035 (relating to basis of property acquired from decedents).

* * * * *

■ **Par. 9.** Section 301.6722–1 is amended by removing the word “or” at the end of paragraph (d)(2)(xxxiii), removing the period and adding a semi-colon in its place followed by the word “or” at the end of paragraph

(d)(2)(xxxiv), and adding paragraph (d)(2)(xxxv).

The addition reads as follows:

§ 301.6722–1 Failure to furnish correct payee statements.

* * * * *

(d) * * *

(2) * * *

(xxxv) Section 6035 (relating to basis of property acquired from decedents).

* * * * *

John Dalrymple,

Deputy Commissioner for Services and Enforcement.

[FR Doc. 2016–04718 Filed 3–2–16; 4:15 pm]

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DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

31 CFR Part 1010

RIN 1506–AB30

Financial Crimes Enforcement Network; Withdrawal of Notice of Proposed Rulemaking Regarding Banca Privada d’Andorra

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

ACTION: Withdrawal of notice of proposed rulemaking.

SUMMARY: This document withdraws FinCEN’s notice of proposed rulemaking seeking to impose the fifth special measure regarding Banca Privada d’Andorra (“BPA”), pursuant to Section 311 of the USA PATRIOT Act (“Section 311”), codified at 31 U.S.C. 5318A. Because of material subsequent developments that have mitigated the money laundering risks associated with BPA, FinCEN has determined that BPA is no longer a primary money laundering concern that warrants the implementation of a special measure under Section 311. Elsewhere in this issue of the **Federal Register**, FinCEN is publishing a withdrawal of the related finding regarding BPA.

DATES: The notice of proposed rulemaking is withdrawn as of March 4, 2016.

FOR FURTHER INFORMATION CONTACT: The FinCEN Resource Center at (800) 767–2825.

SUPPLEMENTARY INFORMATION:

I. Background

On October 26, 2001, the President signed into law the Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism Act of 2001,

Public Law 107–56 (“the USA PATRIOT Act”). Title III of the USA PATRIOT Act amends the anti-money laundering provisions of the Bank Secrecy Act (“BSA”), codified at 12 U.S.C. 1829b, 12 U.S.C. 1951–1959, and 31 U.S.C. 5311–5314, 5316–5332, to promote the prevention, detection, and prosecution of international money laundering and the financing of terrorism. Regulations implementing the BSA appear at 31 CFR Chapter X. The authority of the Secretary of the Treasury to administer the BSA and its implementing regulations has been delegated to the Director of FinCEN.

Section 311 of the USA PATRIOT Act (“Section 311”) grants the Director of FinCEN the authority, upon finding that reasonable grounds exist for concluding that a foreign jurisdiction, foreign 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 certain “special measures” to address the primary money laundering concern. The special measures enumerated under Section 311 are prophylactic safeguards that defend the U.S. financial system from money laundering and terrorist financing. FinCEN may impose one or more of these special measures in order to protect the U.S. financial system from these threats. To that end, special measures one through four, codified at 31 U.S.C. 5318A(b)(1)–(b)(4), impose additional recordkeeping, information collection, and information reporting requirements on covered U.S. financial institutions. The fifth special measure, codified at 31 U.S.C. 5318A(b)(5), allows the Director to prohibit or impose conditions on the opening or maintaining of correspondent or payable-through accounts by covered U.S. financial institutions.

II. The Finding and Notice of Proposed Rulemaking

On March 13, 2015, FinCEN provided notice in the **Federal Register** that it had found Banca Privada d’Andorra (“BPA”), a bank headquartered in Andorra, to be of primary money laundering concern.¹ Based on the finding, FinCEN also published on March 13, 2015 a notice of proposed rulemaking (“NPRM”) proposing the imposition of the fifth special measure with respect to BPA, and invited public

¹ 80 FR 13,464 (Mar. 13, 2015).

comment.² Specifically, FinCEN proposed to prohibit covered financial institutions from establishing, maintaining, administering, or managing in the United States any correspondent account for, or on behalf of, BPA. FinCEN also proposed to require a covered financial institution to apply special due diligence to all of its foreign correspondent accounts that is reasonably designed to guard against processing transactions involving BPA. Among other things, covered financial institutions would have been required to notify those foreign correspondent account holders that the covered financial institutions know or have reason to know provide services to BPA that such correspondents may not provide BPA with access to the correspondent account maintained at the covered financial institution.

III. Subsequent Developments

Significant developments regarding BPA have occurred since FinCEN announced its finding and related NPRM regarding BPA, as described below. As a result, BPA is no longer operating as a financial institution that poses a money laundering threat to the U.S. financial system.

On March 11, 2015, the Institut Nacional Andorrà de Finances (“INAF”), the Andorran regulator and supervisor of financial institutions, appointed two INAF representatives to oversee BPA’s operations. On March 12, 2015, the INAF suspended the authority of BPA’s board of directors, the chief executive officer and two other senior managers and appointed special administrators to assume full control of BPA. On March 13, 2015, Andorran law enforcement arrested BPA’s chief executive officer in Andorra on suspicion of money laundering.

The next month, in April 2015, the Andorran parliament enacted a law regarding the restructuring and resolution of banks, which created a new government agency, Agència Estatal de Resolució d’Entitats Bancàries (“AREB”), for that purpose. On April 27, 2015, AREB took over control of BPA.³ In June 2015, AREB approved a resolution plan for BPA, under which the bank’s “good” and “bad” assets, liabilities, and clients would be separated. Under the resolution plan, the “good” assets, liabilities, and clients are to be transferred to a bridge bank,

and the bridge bank sold.⁴ In July 2015, AREB announced the creation of the bridge bank, named Vall Banc, to receive the transfer of BPA’s legitimate assets, liabilities, and clients. Vall Banc is wholly-owned by AREB, is registered with the INAF, and is supervised by Andorran banking supervisory authorities. Vall Banc will not employ the high-level BPA managers described in FinCEN’s Notice of Finding. In addition, any other person who has been or may be identified as related to the issues described in the Notice of Finding will not be employed at Vall Banc.

After the good assets, liabilities, and clients are transferred from BPA to Vall Banc, BPA will remain under the control of AREB. FinCEN understands that BPA will not be reactivated as an operational financial institution at any point except to facilitate the finalization of the resolution process. AREB, in coordination with other authorities in Andorra, ultimately intends to liquidate BPA following the resolution of judicial proceedings in Andorra and other jurisdictions.

IV. Withdrawal of the NPRM

Because of these subsequent developments, BPA no longer operates in a manner that poses a money laundering threat to the U.S. financial system. FinCEN has determined that the steps taken by the authorities in Andorra sufficiently protect the U.S. financial system from the money laundering risks previously associated with BPA. FinCEN therefore has determined that BPA no longer is a primary money laundering concern and will not impose any special measures under Section 311 with respect to BPA.

For these reasons, FinCEN hereby withdraws its NPRM published on March 13, 2015, and announced on March 10, 2015, seeking to impose the fifth special measure regarding BPA.

Jamal El-Hindi,

Deputy Director, Financial Crimes Enforcement Network.

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[EPA-R10-OAR-2015-0353, FRL-9943-24-Region 10]

Approval and Promulgation of Implementation Plans; Alaska: Updates to Incorporation by Reference and Miscellaneous Revisions

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule.

SUMMARY: The Environmental Protection Agency (EPA) proposes to approve certain State Implementation Plan revisions submitted by Alaska on May 12, 2015. The revisions updated the incorporation by reference of certain Federal provisions, revised rules to reflect changes to Federal permitting requirements and the 2013 redesignation of the Mendenhall Valley area of Juneau, and made minor clarifications. We note that the May 12, 2015 submission also addressed transportation conformity and infrastructure requirements. These requirements are not being addressed in this action. We approved the transportation conformity revisions in a previous action on September 8, 2015 and we intend to address the infrastructure requirements in a separate, future action.

DATES: Comments must be received on or before April 4, 2016.

ADDRESSES: Submit your comments, identified by Docket ID No. EPA-R10-OAR-2015-0353, at <http://www.regulations.gov>. Follow the online instructions for submitting comments. Once submitted, comments cannot be edited or removed from <http://www.regulations.gov>. The EPA may publish any comment received to its public docket. Do not submit electronically any information you consider to be Confidential Business Information (CBI) or other information the disclosure of which is restricted by statute. Multimedia submissions (audio, video, etc.) must be accompanied by a written comment. The written comment is considered the official comment and should include discussion of all points you wish to make. The EPA will generally not consider comments or comment contents located outside of the primary submission (*i.e.* on the web, cloud, or other file sharing system). For additional submission methods, the full EPA public comment policy, information about CBI or multimedia submissions, and general guidance on making effective comments, please visit

² 80 FR 13,304 (Mar. 13, 2015) (RIN 1506-AB30). FinCEN publicly announced the finding and NPRM on March 10, 2015.

³ Press Release, AREB, *AREB Assumes the Tutelage of BPA*, April 27, 2015, (http://areb.ad/images/areb/comunicats/27042015_AREB_ENG.pdf)

⁴ Press Release, AREB, *AREB Will Create a ‘Good Bank’ with Legitimate Assets and Liabilities Segregated from BPA*, June 15, 2015, (http://areb.ad/images/areb/comunicats/15062015_AREB_ENG.pdf)