

# Rules and Regulations

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## FEDERAL RESERVE SYSTEM

### 12 CFR Part 219

[Regulation S; Docket No. R-1444]

RIN 7100 AD 91

#### Reimbursement to Financial Institutions for Providing Financial Records; Recordkeeping Requirements for Certain Financial Records

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule; technical amendment.

**SUMMARY:** The Board of Governors (Board) is amending its regulation which governs recordkeeping and reporting requirements for funds transfers and transmittals of funds, to conform the citations and references to organizational changes adopted by the Director of the Financial Crimes Enforcement Network (FinCEN) in 2010.

**DATES:** The final rule will become effective November 26, 2012.

**FOR FURTHER INFORMATION CONTACT:** Dena L. Milligan, Attorney, (202) 452-3900, Legal Division. For the hearing impaired only, Telecommunication Device for the Deaf (TDD), (202) 263-4869.

**SUPPLEMENTARY INFORMATION:** The statutory framework generally referred to as the Bank Secrecy Act (BSA) authorizes the Secretary of the Treasury to require financial institutions to keep records and file reports that the Secretary determines have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings.<sup>1</sup> The Annunzio-Wylie Anti-Money Laundering Act of 1992 (Pub. L. 102-550) (Annunzio-Wylie) amended the BSA to authorize the

Treasury and the Board jointly to prescribe regulations to require banks and nonbank financial institutions to maintain records regarding domestic and international funds transfers and transmittals of funds if the Secretary and the Board determine that the maintenance of records has a high degree of usefulness in the criminal, tax, or regulatory investigations or proceedings.<sup>2</sup>

On January 3, 1995, the Secretary and the Board jointly issued a rule that requires banks and nonbank financial institutions to collect and retain certain information on funds transfers and transmittals of funds (“recordkeeping rule”).<sup>3</sup> To minimize potential confusion by affected entities regarding the scope of the joint recordkeeping rule and the rule’s interaction with other anti-money laundering regulations, the substantive requirements of the recordkeeping rule were codified in 31 CFR part 103 with other BSA regulations. At the same time, the Board separately adopted the recordkeeping rule’s requirements by adding existing subpart B to Regulation S. Subpart B incorporates the recordkeeping rule’s requirements by cross-referencing the jointly prescribed requirements then located in 31 CFR part 103, rather than restating the requirements in full.<sup>4</sup>

In October 2010, FinCEN moved the BSA regulations, including those implementing the recordkeeping rule, from 31 CFR part 103 to new Chapter X of Title 31 of the CFR.<sup>5</sup> Within the new Chapter X, FinCEN reorganized the BSA regulations by financial industry to make it easier to find regulatory requirements. With respect to the cross-references in Regulation S, 31 CFR 103.11 was redesignated as 31 CFR 1010.100, 31 CFR 103.33(e) was redesignated as 31 CFR 1020.410(a), and 31 CFR 103.33(f) was redesignated as 31 CFR 1010.410(e).<sup>6</sup>

The Board is amending the cross-references in subpart B of its Regulation S to conform the references to the reorganized BSA regulations. These amendments do not have any effect on

the substantive requirements imposed by Regulation S.

#### Administrative Procedure Act

In accordance with section 553(b) the Administrative Procedures Act (APA) (5 U.S.C. 553(b)), the Board finds, for good cause, that providing an opportunity for public comment is unnecessary. The amendments are solely technical amendments that revise citations to conform to a previous reorganization of BSA regulations in the CFR.

#### Paperwork Reduction Act

In accordance with the Paperwork Reduction Act of 1995 (44 U.S.C. 3506; 5 CFR part 1320 Appendix A.1), the Board has reviewed the final rule under authority delegated to the Board by the Office of Management and Budget. The technical amendments to Regulation S will revise the cross-references to conform to a previous reorganization of BSA regulations in the CFR. The amendments do not change any substantive requirements of the regulation or currently approved information collections. Therefore, no additional paperwork burden will be imposed as a result of this rulemaking.

#### List of Subjects in 12 CFR Part 219

Banks, Banking, Currency, Reporting and recordkeeping requirements, Foreign banking.

#### Authority and Issuance

For the reasons set forth in the preamble, the Board is amending 12 CFR part 219 as follows:

#### PART 219—REIMBURSEMENT FOR PROVIDING FINANCIAL RECORDS; RECORDKEEPING REQUIREMENTS FOR CERTAIN FINANCIAL RECORDS (REGULATION S)

■ 1. The authority citation for part 219 continues to read as follows:

**Authority:** 12 U.S.C. 3415.

#### § 219.21 [Amended]

■ 2. Section 219.21 is amended as follows:

■ a. Remove “31 CFR 103.11 and 103.33(e) and (f)” and add in its place “31 CFR 1010.100, 1010.410(e), and 1020.410(a)”;

■ b. Remove “31 CFR 103.33(e) or (f)” and add in its place “31 CFR 1010.410(e) or 1020.410(a).”

<sup>1</sup> The BSA is codified at 12 U.S.C. 1829b and 1951-1959, and 31 U.S.C. 5311-5329.

<sup>2</sup> 12 U.S.C. 1829b(b).

<sup>3</sup> 60 FR 220 (Jan. 3, 1995).

<sup>4</sup> 60 FR 232 (Jan. 3, 1995).

<sup>5</sup> The Secretary delegated to the Director of the Financial Crimes Enforcement Network (FinCEN), the authority to implement, administer, and enforce compliance with the BSA and associated regulations. Treasury Order 180-01 (Sept. 26, 2002).

<sup>6</sup> 75 FR 65806 (Oct. 26, 2010).

**§ 219.22 [Amended]**

■ 3. Section 219.22 is amended by removing “31 CFR 103.11” and adding in its place “31 CFR 1010.100.”

**§ 219.23 [Amended]**

■ 4. Section 219.23 is amended as follows:

■ a. In paragraph (a), remove “31 CFR 103.33(e)” and add in its place “31 CFR 1020.410(a)” wherever it appears;

■ b. In paragraph (b), remove “31 CFR 103.33(f)” and add in its place “31 CFR 1010.410(e)” wherever it appears.

By order of the Board of Governors of the Federal Reserve System, acting through the Secretary of the Board under delegated authority, October 18, 2012.

**Robert deV. Frierson,**

*Secretary of the Board.*

[FR Doc. 2012-26132 Filed 10-24-12; 8:45 am]

**BILLING CODE 6210-01-P**

**FARM CREDIT ADMINISTRATION****12 CFR Chapter VI****Board Policy Statements**

**AGENCY:** Farm Credit Administration.

**ACTION:** Notice of policy statement and index.

**SUMMARY:** The Farm Credit Administration (FCA), as part of its annual public notification process, is publishing for notice an index of the 18 Board policy statements currently in existence. Most of the policy statements remain unchanged since our last **Federal Register** notice on September 1, 2011 (76 FR 54638), except for one with minor technical updates on September 17, 2012, and another on Ethics, Independence, Arm’s-Length Role, Ex Parte Communications and Open Government.

**DATES:** October 25, 2012.

**FOR FURTHER INFORMATION CONTACT:** Dale L. Aultman, Secretary to Board, Farm Credit Administration, 1501 Farm Credit Drive, McLean, Virginia 22102-5090, (703) 883-4009, TTY (703) 883-4056; or Wendy R. Laguarda, Assistant General Counsel, Office of General Counsel, Farm Credit Administration, 1501 Farm Credit Drive, McLean, Virginia 22102-5090, (703) 883-4020, TTY (703) 883-4020.

**SUPPLEMENTARY INFORMATION:** A list of the 18 FCA Board policy statements is set forth below. FCA Board policy statements may be viewed online at [www.fca.gov/handbook.nsf](http://www.fca.gov/handbook.nsf).

On November 7, 2011, the FCA Board adopted Policy Statement FCA-PS-81 on, “Ethics, Independence, Arm’s-

Length Role, Ex Parte Communications and Open Government.” It was published in the **Federal Register** on November 17, 2011 (76 FR 71343).

On September 17, 2012, the FCA Board reaffirmed, and made technical updates only, to FCA-PS-62 on, “Equal Employment Opportunity and Diversity.” The text of the policy statement is set forth below in its entirety. The FCA will continue to publish new or revised policy statements in their full text.

**FCA Board Policy Statements**

FCA-PS-34 Disclosure of the Issuance and Termination of Enforcement Documents

FCA-PS-37 Communications During Rulemaking

FCA-PS-41 Alternative Means of Dispute Resolution

FCA-PS-44 Travel

FCA-PS-53 Examination Philosophy

FCA-PS-59 Regulatory Philosophy

FCA-PS-62 Equal Employment Opportunity and Diversity

FCA-PS-64 Rules for the Transaction of Business of the Farm Credit Administration Board

FCA-PS-65 Release of Consolidated Reporting System Information

FCA-PS-67 Nondiscrimination on the Basis of Disability in Agency Programs and Activities

FCA-PS-68 FCS Building Association Management Operations Policies and Practices

FCA-PS-71 Disaster Relief Efforts by Farm Credit Institutions

FCA-PS-72 Financial Institution Rating System (FIRS)

FCA-PS-77 Borrower Privacy

FCA-PS-78 Official Names of Farm Credit Institutions

FCA-PS-79 Consideration and Referral of Supervisory Strategies and Enforcement Actions

FCA-PS-80 Cooperative Operating Philosophy—Serving the Members of Farm Credit System Institutions

FCA-PS-81 Ethics, Independence, Arm’s-Length Role, Ex Parte Communications and Open Government

**Equal Employment Opportunity and Diversity**

*FCA-PS-62*

*Effective Date:* 17-SEPT-12

*Effect on Previous Action:* Updates

FCA-PS-62 [BM-13-JUL-06-03] (71 FR 46481, 8/14/2006) 7-13-06; amended by NV-11-15 (08-JUL-11); amended by NV-12-16 (07-SEPT-12).

*Source of Authority:* Title VII of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000e *et seq.*); Age

Discrimination in Employment Act (29 U.S.C. 621 *et seq.*); Rehabilitation Act of 1973, as amended (29 U.S.C. 721 *et seq.*); Equal Pay Act of 1974 (29 U.S.C. 206(d)); Civil Service Reform Act of 1978 (5 U.S.C. 3112); Notification and Federal Employee Antidiscrimination and Retaliation Act of 2002 (NO FEAR Act) (5 U.S.C. 2301); Genetic Information Nondiscrimination Act of 2008 (42 U.S.C. 2000ff *et seq.*); section 5.9 of the Farm Credit Act of 1971, as amended (12 U.S.C. 2243); Executive Order 11478 (Equal Employment Opportunity in the Federal Government), as amended by Executive Orders 13087 and 13152 to include prohibitions on discrimination based on sexual orientation and status as a parent; Executive Order 13166 (Improving Access to Services for Persons with Limited English Proficiency); 29 CFR part 1614; Equal Employment Opportunity Commission Management Directives.

*Purpose*

The Farm Credit Administration (FCA or Agency) Board reaffirms its commitment to Equal Employment Opportunity (EEO) and Diversity (EEO) and its belief that all FCA employees should be treated with dignity and respect. The Board also provides guidance to Agency management and staff for deciding and taking action in these critical areas.

*Importance*

Unquestionably, the employees who comprise the FCA are its most important resource. The Board fully recognizes that the Agency draws its strength from the dedication, experience, and diversity of its employees. The Board is firmly committed to taking whatever steps are needed to protect the rights of its staff and to carrying out programs that foster the development of each employee’s potential. We believe an investment in efforts that strongly promote EEO will prevent the conflict and the high costs of correction for taking no, or inadequate, action in these areas. The Farm Credit Administration (FCA) Board Adopts the Following Policy Statement:

It is the policy of the FCA to prohibit discrimination in Agency policies, program practices, and operations. Employees, applicants for employment, and members of the public who seek to take part in FCA programs, activities, and services will be treated fairly. The Chairman and Chief Executive Officer (CEO) is ultimately responsible for ensuring that FCA meets all EEO requirements and initiatives in accordance with laws and regulations,