

SUPPORTING STATEMENT
OMB Control No. 1505-0164
Reporting, Procedures and Penalties Regulations

A. JUSTIFICATION

1. Circumstances Making the Collection of Information Necessary.

This information collection request is submitted pursuant to revisions of the information collection authority in the Office of Foreign Assets Control's (OFAC) Reporting, Procedures and Penalties Regulations (31 CFR part 501) (the Regulations), and certain other parts of 31 CFR chapter V.

The Regulations are implemented pursuant to the Trading With the Enemy Act (50 U.S.C. § 4301), the International Emergency Economic Powers Act (50 U.S.C. 1701–1706), the United Nations Participation Act of 1945 (22 U.S.C. 287c), and other laws. The collections of information relevant to this request are contained in §§ 501.601 through 501.605, 501.801, and 501.804 through 501.807, and certain other parts of 31 CFR chapter V, and pertain to the operation of various economic sanctions programs administered by OFAC under 31 CFR chapter V.

Background on Regulatory Provisions

Section 501.601 addresses the maintenance of records and § 501.602 relates to OFAC demands for information relating to any transaction or property subject to the provisions of 31 CFR chapter V. Section 501.603 imposes reporting requirements pertaining to blocked property and retained funds, as well as blocked property that is unblocked or transferred. This information is required by OFAC to monitor compliance with regulatory requirements, to support diplomatic negotiations concerning the targets of sanctions, and to support settlement negotiations addressing U.S. claims. Section 501.604 requires the filing of reports for compliance purposes by U.S. persons where a transaction is not required to be blocked but where processing or otherwise engaging in the transaction would nonetheless violate, or facilitate a transaction that is prohibited under, other provisions in 31 CFR chapter V. Section 501.605 requires reporting of information pertaining to litigation, arbitration, and other binding alternative dispute resolution proceedings in the United States to prevent the intentional or inadvertent transfer through such proceedings of blocked property or retained funds. Sections 501.801, 501.804, and 501.805 relate to license requests, the procedures for rulemaking, and records requests, respectively. Section 501.806 sets forth the procedures to be followed by a person seeking to unblock funds that the person believes they have blocked due to mistaken identity or typographical or similar errors. Section 501.807 sets forth the procedures to be followed by a person seeking administrative reconsideration of the listing of a person or property (*e.g.*, a vessel) on any list of sanctioned persons maintained by OFAC. OFAC maintains mandatory and voluntary forms for the bulk of these collections and is not making major changes to these existing forms.

On May 10, 2024, OFAC published an interim final rule (89 FR 40372) with a 30-day public comment period to solicit public comments on mandating electronic reporting and other aspects of the interim final rule. This interim final rule includes a 90-day delayed effective date in order to provide the public with time to submit comments on the rule and to fully implement any required electronic reporting. Effective August 8, 2024, OFAC plans to mandate electronic reporting using the OFAC Reporting System (ORS) for initial reports of blocked property and rejected transactions, as well as Annual Reports of Blocked Property (ARBP) (although filers may request an exception for unique and extraordinary circumstances). Until this date, OFAC will continue to require the submission of the ARBP through the approved Annual Report of Blocked Property form, TD-F 90-22.50, which is available on OFAC's website. Additionally, for those filers who have been granted an exception to file reports of blocked property, ARBPs, or rejected transactions outside of ORS, OFAC will continue to maintain the following approved forms on its website: Report on Blocked Property – Financial, TD-F 93.02; Report on Rejected Transactions, TD-F 93.07; Report on Blocked Property – Tangible/Real/Other Non-Financial Property, TD-F 93.08; Annual Report of Blocked Property form, TD-F 90-22.50. OFAC also maintains voluntary forms for submission of certain other information required as a part of the information collections covered by this authority, including the following approved forms: TSRA License Application, TD-F 93.04; and Licensing Cover Sheet, TD-F 98-22.61.

In addition, OFAC is issuing a new form, REPO for Ukrainians Act Report Form, TD.F 93.09, to implement a new reporting requirement pursuant to the Rebuilding Economic Prosperity and Opportunity for Ukrainians Act (the "REPO for Ukrainians Act"), for financial institutions holding Russian sovereign assets, if not previously reported to OFAC. Any other information collections covered by this authority do not have mandatory or voluntary forms.

2. Purpose and Use of the Information Collected.

This information is required by OFAC to monitor compliance with regulatory requirements, to support diplomatic negotiations concerning the targets of sanctions, to meet statutory reporting requirements, and to support settlement negotiations addressing U.S. claims. The reports and information collections covered by this authority will be reviewed by the U.S. Department of the Treasury (Treasury) and may be used for compliance, civil penalty, and enforcement purposes by the agency. The information is used primarily by Treasury and provided to other agencies under limited circumstances, such as when requested for pending litigation, investigative purposes, or foreign policy guidance. Additionally, the aggregated data collected is used to inform reports that are provided to Congress on a periodic basis.

3. Consideration Given to Information Technology.

Information collected related to blocked, rejected, and certain authorized transactions is increasingly collected by automated, electronic, and/or computerized means. While OFAC had offered electronic reporting options for submission of blocking and reject reports for many years, OFAC issued ORS, which is a more robust electronic filing system, in early 2018. ORS currently collects reports on initial reports of blocked property, ARBPs, and rejected transactions submitted pursuant to §§ 501.603 and 501.604. ORS incorporates user management, audit, and reporting features to improve the quality of report data, facilitates regulatory compliance, and

enhances efficiencies for both filers and OFAC. ORS was developed through feedback from private sector users to help streamline reporting to OFAC and to reduce the burden for both the private sector and the U.S. government. ORS reduces the time it takes for many submitters to provide the required information to OFAC, and the system provides submitters with a confirmation that the report has been received and accepted by OFAC.

OFAC plans to mandate electronic reporting via ORS for initial reports of blocked property, ARBPs, and rejected transaction reports effective August 8, 2024. OFAC expects the use of electronic reporting via ORS to produce a small reduction in the overall burden of reporting for respondents over time, even though the mandate for electronic reporting via ORS may impose some initial costs for a few businesses that do not already file reports electronically. OFAC is taking into account this initial increase in burden in its calculation of the time and cost burden estimates for this rule. However, OFAC estimates that, as of spring 2023, less than 1% (estimated 0.03%) of reports are submitted to OFAC using non-electronic methods, while approximately 96% of reports are submitted electronically via ORS, and approximately 3% of reports are submitted electronically to OFAC via email. OFAC is taking into account a potential small initial increase in burden and cost for an extremely small number of respondents (estimated 0.03%) who would need to transition from filing paper reports via mail to the new ORS electronic system. Overall, OFAC estimates that there should be a minimal burden in mandating electronic submission via ORS because almost all filers currently send reports to OFAC electronically in some way, and the majority of those filers already send reports to OFAC via ORS.

4. Duplication of Information.

Generally, the information that OFAC requires pertains to individual property and transactions and is not available to OFAC other than through a specific report. Each individual report of information provided is of a limited nature, separate, and unique. There is generally no duplication of records. Each item is based upon a new occurrence pertaining to a designated or otherwise blocked person or activities or transactions that are otherwise prohibited. To the extent persons have actual knowledge that a report has been filed with respect to a transaction pursuant to § 501.603, they are excused from filing a duplicate report with respect to the same transaction. In addition, the new REPO for Ukrainians Act reporting requirement provides that duplicative reporting of Russian sovereign assets is not required if such assets have already been reported as blocked or immobilized property.

All U.S. persons (and persons subject to U.S. jurisdiction in the case of the Cuban Assets Control Regulations, 31 CFR part 515) are required to make individual reports on property that they have blocked or transactions they have rejected within 10 days from the blocking or rejection and are also required to report on an annual basis all blocked property under their possession or control. The ARBP is not a duplicate of the information previously reported, even though it does have some overlap with information previously reported through blocking reports and the new reports of unblocked or transferred blocked property. However, because various authorized or otherwise legal transactions can occur throughout the year affecting the amount of particular blocked assets which are not reported to OFAC, such as generally authorized debits for administrative fees or generally authorized crediting of interest earned, it is only through the

annual reporting requirement that OFAC can be apprised of the complete, accurate status of all blocked property. Current information is required for the purpose of Treasury's congressionally mandated reports, including the annual report on terrorist assets, as well as for U.S. national security and foreign policy purposes concerning negotiations with impacted countries or targeted persons.

5. Reducing the Burden on Small Entities.

The information collections under this OMB control number may affect a limited number of small businesses or other small entities that hold blocked property, reject transactions, or engage in transactions prohibited, unless otherwise authorized, by the individual parts in 31 CFR chapter V. With regard to blocked property or rejected transactions, OFAC has published guidance on its website to help smaller entities with more constrained compliance resources to understand their obligations to block and reject certain transactions and to report these transactions to OFAC. In addition, OFAC has provided detailed forms and guidance on its website to assist persons with submitting reports.

In the licensing area in particular, OFAC maintains an electronic Licensing Portal on its website to receive license applications and process licensing files more efficiently. The licensing application procedures are straightforward, and the average time required to complete a license application cover sheet is fifteen minutes. The recordkeeping requirement imposed by § 501.601 is minimal, because the records required to be maintained should already be maintained under standard business practices.

6. Consequences of Not Conducting Collection.

The information collected is used primarily by OFAC for licensing, compliance, civil penalty, and enforcement purposes. This information is used to authorize transactions consistent with policy, and to prevent the unauthorized transfer through U.S. persons of property in support of targeted governments and persons. In addition, the reporting requirement under the REPO for Ukrainians Act is required by recent legislation. Without these collections of information, certain sanctions statutes and Presidential Executive orders, including provisions for authorizing certain otherwise prohibited transactions, cannot be fully implemented and enforced.

Generally, the information could not be collected less frequently. For example, the need for information required to file a blocked property report arises only at the time the filer comes into the possession or control of such property. Persons availing themselves of certain general licenses may be required to file reports and statements in accordance with the instructions specified in those licenses. With regard to initial and annual reports of blocked property, reports of unblocked or transferred blocked property, and reports of rejected transactions, if the information were not collected or were collected less frequently, OFAC would have more limited means of tracking the compliance of U.S. persons with U.S. economic sanctions or the amounts of property currently blocked, some of which is required for OFAC to report to Congress each year.

7. Special Circumstances.

- *Requiring respondents to report information to the bureau more often than quarterly;*

Respondents are required to submit initial reports of blocked property, reports of unblocked or transferred blocked property, reports of rejected transactions, and reports of Russian sovereign assets, on a transaction-by-transaction basis, annual reports of blocked property on an annual basis, and reports of certain activities authorized by general license as specified in the relevant license. Prompt reporting of individual blockings, unblockings or transfers, rejected transactions, and certain authorized activities is necessary for OFAC to maintain effective compliance and enforcement.

- *Requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it;*

OFAC requires that reports of blocked property, reports of unblocked or transferred blocked property, reports of rejected transactions, and reports of Russian sovereign assets be submitted within 10 days of the blocking, unblocking transfer, rejection, or detection of assets, as relevant, unless otherwise officially directed by OFAC. Some other reports are also required to be submitted in fewer than 30 days, such as reports that are immediately due when a litigation hearing is scheduled or within 30 or fewer days after the completion of an authorized transaction under a general license or the expiry of the general license. A 30-day requirement would be insufficient for the foreign policy purposes underlying the economic sanctions and would be inconsistent with the requirements of the REPO for Ukrainians Act. In addition, because OFAC frequently receives requests to unblock property shortly after it has been blocked, it is essential for the blockings to be reported to OFAC as soon as possible. OFAC requests for information in the enforcement context may require a response in less than 30 days when the information requested is needed immediately for OFAC to adequately enforce U.S. economic sanctions.

- *Requiring respondents to submit more than an original and two copies of any document;*

No such requirement exists.

- *Requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records for more than three years;*

The Regulations require respondents to retain records for five years from the date of a regulated transaction or from the date that blocked property is unblocked. Under § 501.601, the requirement for five years of record retention beyond a transaction corresponds to the statute of limitations set forth in 28 U.S.C. 2462.

- *In connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study;*

The information collections are not part of a statistical survey.

- *Requiring the use of a statistical data classification that has not been reviewed and approved by OMB;*

Not applicable.

- *That includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use;*

OFAC will ensure that the information collected will only be released in accordance with the criteria for disclosure set forth in the Privacy Act, the Freedom of Information Act (FOIA), and, as applicable, the Trade Secrets Act. Information about OFAC's privacy practices has been issued under OFAC's Privacy Act system of records notice: Treasury/DO .120 – Records Related to Office of Foreign Assets Control Economic Sanctions (81 FR 78298).

- *Requiring respondents to submit proprietary trade secret, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.*

OFAC will ensure that this information will only be released in accordance with the criteria for disclosure set forth in the Privacy Act, FOIA, and, as applicable, the Trade Secrets Act. Information about OFAC's privacy practices has been issued under OFAC's Privacy Act system of records notice: Treasury/DO .120 – Records Related to Office of Foreign Assets Control Economic Sanctions (81 FR 78298).

8. Consultations with Persons Outside the Agency.

OFAC received and reviewed comments on the interim final rule issued on June 21, 2019 (84 FR 29055), which amended the Regulations to adjust certain reporting requirements and was accompanied by a rule-related information collection renewal request for this authority. OFAC also continued to engage the private sector — both the financial sector and many non-financial sectors — to analyze the impact of the June 2019 interim final rule. OFAC's review of comments and engagement informed its current determination to issue the above-referenced amendments to the RPPR ("2024 RPPR interim final rule"), accompanied by this rule-related information collection renewal request for this authority. OFAC's engagement in particular informed the regulatory clarifications to the rejected transactions reporting requirement in § 501.604 and, in response to public comments received, OFAC issued clarifying revisions to the reporting requirement for rejected transactions. OFAC also solicited further public comments with the issuance of the 2024 RPPR interim final rule.

In addition, OFAC has substantial regular contact with various individuals and entities seeking to comply with OFAC's regulations. Through these contacts, OFAC develops an appreciation of the impact of the information collections necessitated by economic sanctions.

OFAC maintains strong relationships with the private sector and has daily engagement with numerous entities seeking to comply with OFAC's sanctions across all sectors, as well as individuals. OFAC maintains an email and telephone hotline for answering questions from the private sector regarding the application of OFAC's economic sanctions and engages in substantial outreach at events held throughout the country and around the globe regarding OFAC's sanctions. Many decades of such daily contacts have streamlined procedures and assisted OFAC in obtaining a detailed understanding of the burdens its collections and procedures impose on persons seeking to comply with OFAC requirements.

9. Payment or Gift.

No payment or gift will be provided to respondents.

10. Confidentiality.

OFAC will ensure that the required information submitted in response to these collections will only be released in accordance with the criteria for disclosure set forth in the Privacy Act, FOIA, and, as applicable, the Trade Secrets Act. Information about OFAC's privacy practices has been issued under OFAC's Privacy Act system of records notice: Treasury/DO .120 – Records Related to Office of Foreign Assets Control Economic Sanctions (81 FR 78298).

11. Questions of a Sensitive Nature.

The collection makes no request for sensitive information of this type. In addition, a privacy impact assessment has been conducted for information collected under this request and a Privacy Act System of Records notice has been issued for this system under Treasury/DO .120 – Records Related to Office of Foreign Assets Control Economic Sanctions (81 FR 78298).

12. Burden of Information Collection.

A. Indicate the number of respondents, frequency of response, annual hour burden, and an explanation of how the burden was estimated. If this request for approval covers more than one form, provide separate hour burden estimates for each form.

Summary

The likely respondents and recordkeepers affected by the information collections covered by this authority are financial institutions, business organizations, individuals, and legal representatives. OFAC's current assessment of burden, as described below, takes into account the number and type of reports received by OFAC over a recent 12-month period as well as OFAC's estimate of reporting trends over the next three years.

The estimated total annual reporting burden associated with the information collections covered by this authority is approximately 44,372 hours. The estimated annual frequency of responses is between 1 and 17,800, varying greatly by entity depending on the size, nature, and

scope of business activities of each respondent, with the majority of filers providing a small number of responses and a small number of filers submitting a higher number of responses. The estimated total number of responses per year is approximately 137,084 responses. OFAC assesses that there is an average time estimate for reports associated with forms ranging from 15 minutes to 2 hours and for reports associated with general licenses and other reports not associated with forms ranging from 30 minutes to 5 hours, as noted below in the more detailed background section. Since OFAC’s last renewal request for this authority, in response to unpredictable foreign policy developments and considerations, and given the ongoing conflict in Ukraine, OFAC has added a number of new programs and prohibitions, as well as several thousand new designations, particularly those related to Russia and Ukraine, and received a corresponding increase in related reports. OFAC’s estimate for the number of unique reporting respondents in a one-year period is approximately 10,900.

The burden of the recordkeeping requirement imposed by the Regulations is minimal because the records required to be maintained should already be maintained under standard business practice.

| CATEGORY | RESPONSES | ESTIMATED TIME (hours) |
|---|----------------|------------------------|
| Reports associated with forms | 135,982 | 43,540 |
| Reports and other information collections not associated with forms | 1,102 | 832 |
| OVERALL TOTALS | 137,084 | 44,370 |

More detailed background

OFAC has included below a more granular breakdown of the various types of reports and other information collections covered by this authority, as well as an estimated number of annual responses, the estimated time per report or information collection, and an estimated total annual burden for each report or information collection.

Reports and other information collections associated with mandatory or voluntary forms

| REPORT OR INFORMATION COLLECTION | ASSOCIATED FORM NUMBER | ESTIMATED NUMBER OF ANNUAL RESPONSES | ESTIMATED TIME PER FORM (hours per form) | ESTIMATED TOTAL BURDEN (hours) |
|-----------------------------------|------------------------|--------------------------------------|--|--------------------------------|
| Annual Report of Blocked Property | TD-F 90-22.50 | 730 | 2.00 | 1,460 |

| | | | | |
|--|------------|--------|------|--------|
| (ARBP) | | | | |
| Report on Blocked Property – Financial (when provided as individual reports and not a bulk submission) | TD-F 93.02 | 20,393 | 0.50 | 10,197 |

| REPORT OR INFORMATION COLLECTION | ASSOCIATED FORM NUMBER | ESTIMATED NUMBER OF ANNUAL RESPONSES | ESTIMATED TIME PER FORM (hours per form) | ESTIMATED TOTAL BURDEN (hours) |
|--|------------------------|--------------------------------------|--|--------------------------------|
| Report on Blocked Property – Financial (when provided as part of a bulk submission) ¹ | TD-F 93.02 | 37,462 | 0.25 | 9,366 |
| Report on Blocked Property – Tangible / Real / Other Non-Financial Property | TD-F 93.08 | 914 | 0.50 | 457 |
| Report on Rejected Transaction (when provided as individual reports and not a bulk submission) | TD-F 93.07 | 11,186 | 0.50 | 5,593 |
| Report on Rejected Transaction (when provided as part of a bulk submission) ² | TD-F 93.07 | 48,942 | 0.25 | 12,236 |
| TSRA License Application | TD-F 93.04 | 89 | 1.00 | 89 |
| Licensing Cover Sheet | TD-F 98-22.61 | 15,966 | 0.25 | 3,992 |
| REPO For Ukrainians Act Report Form | TD-F 93.09 | 300 | 0.50 | 150 |
| TOTAL | | 135,982 | | 43,540 |

¹ OFAC received a number of bulk submissions of blocked property during the reporting period and estimates there will continue to be some of these types of submissions moving forward. Therefore, OFAC has added an additional line item to account for these bulk submissions. Usually, largely automated, bulk submissions take less time to process and submit (per blocked property) so there is a lower time and burden calculation for each one of these types of blocked property.

² OFAC received a number of bulk submissions of rejected transactions during the reporting period and estimates there will continue to be some of these types of submissions moving forward. Therefore, OFAC has added an additional line item to account for these bulk submissions. Usually, largely automated, bulk submissions take less time to process and submit (per rejected transaction) so there is a lower time and burden calculation for each one of these types of rejected transactions.

Reports and other information collections not associated with forms

While the information collections under this authority occur largely under required and voluntary forms, some reports and information collections under this authority are not associated with forms. These reports may be broken down into four primary categories: basic reports and information collections not associated with forms, complex general license reports, reports of unblocked or transferred blocked property, and other reports and information collections, as discussed further below.

Please see the chart below for a breakdown of the estimated responses and hour burdens.

| REPORT OR INFORMATION COLLECTION | ESTIMATED NUMBER OF ANNUAL RESPONSES | ESTIMATED TIME (hours per submission) | ESTIMATED TOTAL BURDEN (hours) |
|---|--------------------------------------|---------------------------------------|--------------------------------|
| Basic reports and information collections not associated with forms | 382 | 1.0 | 382 |
| Complex general license reports | 20 | 5.0 | 100 |
| Reports of unblocked or transferred blocked property | 700 | 0.5 | 350 |
| Other reports | 0 | | 0 |
| TOTAL | 1,102 | | 832 |

- Basic reports and information collections not associated with forms: Persons availing themselves of certain general licenses may be required to file reports or statements or retain certain records in accordance with the instructions specified in those licenses. Most of these “basic reports or information collections not associated with forms” are required in connection with an authorized activity (such as reports regarding activity conducted under certain general licenses). These basic reports and information collections have minimal burden and may fluctuate given the dynamic nature of OFAC’s sanctions programs. Submissions of reports and maintenance of records are not required to be in any particular format. Most of these reports or information collections are required in connection with an authorized activity. Basic reports and information collections not associated with forms include approximately 219 routine general license reports (such as those in the Libya sanctions programs), which OFAC estimates takes one hour on average to complete; approximately 103 regulatory reports (such as mail and telecommunications-related transactions reporting under § 515.542 of the Cuban Assets Control Regulations, 31 CFR

part 515, and reporting on litigation, arbitration, and dispute resolution proceedings under § 501.605); 7 reports required under OFAC Directives (such as from the amended Directive 4 reporting); and 34 other occasional basic compliance reports (such as the annual certification compliance commitment report as part of a settlement with OFAC).

- Complex general license reports: For certain more complex general license reports (such as in the Ukraine-/Russia-related Sanctions programs), OFAC estimates that the completion of these reports takes five hours on average as these reports are narrative-based and often several pages long. The total number of such reports is approximately 20.
- Reports of unblocked or transferred blocked property: Such reports were previously only due when specifically required by OFAC, such as when made a condition of a general or specific license; however, the 2024 RPPR interim final rule associated with this information collection would require reports any time blocked property is unblocked or transferred, with limited exceptions. The number of such reports annually was approximately 74, however, OFAC anticipates there will likely be a significant increase of 900% in the future (or approximately 700 reports) due to the broader scope in the regulatory amendments.
- Other reports: OFAC’s regulations require several other miscellaneous or one-off types of reports that may be required to be submitted at various times in connection with other actions taken pursuant to the regulations (including, for example, reports on operating accounts of the government of Cuba missions in the United States; reports on the effect of transfers violating the provision; reports on Foreign Terrorist Organizations; reports on investment and reinvestment of certain funds; and reports on transactions related to closing a correspondent or payable-through account). In the past reporting period, OFAC has not received any reports submitted from these reporting requirements and therefore estimates the burden with respect to these reports to be minimal.

B. Provide estimates of annualized cost to respondents for the hour burdens for collections of information, identifying and using appropriate wage rate categories.

OFAC’s methodology for calculating the annualized cost burden uses one of two wage rates published by the Bureau of Labor and Statistics: either \$17.40/hour, which, as of May 2023, is the median wage for Data Entry Keyers, or \$34.47/hour, which, as of May 2023, is the median wage for Compliance Officers. The wage used for calculating the cost burden varies depending on the type and complexity of the report, as noted in the chart below. OFAC estimates the total cost to be approximately \$876,934.50.

| REPORT OR INFORMATION COLLECTION | ASSOCIATED FORM NUMBER | ESTIMATED TIME (hours) | WAGE RATE (dollars/hour) | ESTIMATED COST |
|--|------------------------|------------------------|--------------------------|----------------|
| ARBP | TD-F 90-22.50 | 1,460 | \$34.47 | \$50,326 |
| Report on Blocked Property – Financial | TD-F 93.02 | 10,197 | \$17.40 | \$177,428 |

| | | | | |
|----------------------|--|--|--|--|
| (individual reports) | | | | |
|----------------------|--|--|--|--|

| REPORT OR INFORMATION COLLECTION | ASSOCIATED FORM NUMBER | ESTIMATED TIME (hours) | WAGE RATE (dollars/hour) | ESTIMATED COST |
|---|------------------------|------------------------|--------------------------|------------------|
| Report on Blocked Property – Financial (bulk submission) | TD-F 93.02 | 9,366 | \$17.40 | \$162,968 |
| Report on Blocked Property – Tangible / Real / Other Non-Financial Property | TD-F 93.08 | 457 | \$17.40 | \$7,952 |
| Report on Rejected Transaction (individual reports) | TD-F 93.07 | 5,593 | \$17.40 | \$97,318 |
| Report on Rejected Transaction (bulk submissions) | TD-F 93.07 | 12,236 | \$17.40 | \$212,907 |
| TSRA License Application | TD-F 93.04 | 89 | \$34.47 | \$3,068 |
| Licensing Cover Sheet | TD-F 98-22.61 | 3,992 | \$34.47 | \$137,604 |
| Basic reports and information collections not associated with forms | N/A | 382 | \$17.40 | \$6,647 |
| Complex general license reports | N/A | 100 | \$34.47 | \$3,481 |
| Reports on unblocking or transferred property | N/A | 350 | \$34.47 | \$12,065 |
| REPO For Ukrainians Act Report Form | TD-F 93.09 | 150 | \$34.47 | \$5,171 |
| Other reports | N/A | 0 | | \$0 |
| TOTAL | | 44,372 | | \$876,935 |
| | | | | 0 |

13. Annual Cost to Respondents.

For some entities, there may be capital, operating, and maintenance costs associated with products, such as interdiction software, used to maintain compliance with U.S. sanctions laws and other laws. Nevertheless, any capital or operating costs associated with the actual collection of information or recordkeeping requirements under this collection authority are assumed to be minimal, as such products are not required for compliance with OFAC's information collection or recordkeeping requirements. While these products may have some incidental benefits in aiding in the submission of required reports under this authority, OFAC assesses that the products are designed and used more broadly for compliance with numerous regulatory regimes, including laws and regulations relating to anti-money laundering, countering the financing of terrorism, and export and import controls, as well as the laws and regulations OFAC administers, and also for the identification of other business risks. OFAC assesses that the products are not specifically for complying with information collection or recordkeeping requirements administered by OFAC, and no such software or technology is required when submitting these required reports to OFAC. In addition, while a minority of those that are subject to OFAC's jurisdiction utilize these products for broad compliance purposes (typically the largest and most sophisticated companies), most persons subject to OFAC's jurisdiction do not utilize any such products. Overall, in light of the above factors, OFAC assesses that any capital, operating, or maintenance costs exclusively associated with the reporting and recordkeeping requirements under this authority are negligible. However, given the upcoming mandate to electronically file certain reports with OFAC beginning in 2024, there could be up-front cost for a very small number of filers that are not yet set up to submit reports using the electronic OFAC Reporting System (ORS). Nevertheless, OFAC expects that only a few filers will be impacted because the vast majority of OFAC reports (96%) are already submitted electronically through the current system (ORS).

14. Cost to the Federal Government.

The total estimated annual cost to the U.S. government attributable to this information collection is \$1,207,118. This amount represents salary and benefit costs for seven full time employees across OFAC's divisions at varying levels of seniority (ranging from General Schedule (GS)-9 to GS-15 with additional Washington, D.C. locality pay included) who accept and process the required information received pursuant to this collection. Specifically, OFAC added the salaries and benefits of three GS-9 employees (\$317,640), one GS-11 employee (\$128,105), and three GS-15 employees (\$761,373) for a total of \$1,207,118.

15. Reason for Change.

OFAC is seeking OMB renewal authorization for all the collections of information and recordkeeping requirements associated with the Regulations and certain other parts of 31 CFR chapter V as described herein.

The estimated 137,084 responses cited in Item 12 represent a significant increase of 106,733 responses from the previously approved collection for this authority (see reference tables below). Since OFAC’s last renewal request for this authority, in response to unpredictable foreign policy developments and considerations, and given the ongoing conflict in Ukraine, OFAC has added a number of new programs and prohibitions, as well as several thousand new designations, particularly with respect to Ukraine and Russian, and received a corresponding increase in related reports.

Numerous factors are relevant with respect to calculating the estimated burden associated with the information collection and recordkeeping requirements associated with this collection. Of necessity, OFAC utilizes historical burden data in forecasting future burden hours. In future years, OFAC expects that new sanctions programs may be created, or additional prohibitions imposed under existing programs, and other programs or prohibitions may be terminated, which may slightly increase or decrease the burden associated with this collection authority. The creation of new programs or prohibitions, or the elimination of programs or prohibitions, are difficult to estimate as these changes are often responding to specific and unforeseeable foreign policy developments and considerations. However, these changes may have an impact on the time and cost estimates under this collection authority.

At the same time, OFAC has been working to streamline the reporting process, and to update its technologies to assist submitters in the reporting process with a view toward reduction of the overall burden on submitters of required reports. For example, the ORS electronic reporting system continues to reduce the burden of submitting certain required reports for many submitters, including many large, higher-volume filers. OFAC expects this small burden reduction trend to continue as more submitters utilize ORS for reporting given the upcoming mandate for ORS filing for certain reports, and reporting of additional forms and information becomes available via ORS in the future.

In addition, OFAC continues to finetune its methodology for calculating burden in an effort to be more precise and accurate in its burden estimates and calculations.

This rule-related information collection submission is also being made for renewal purposes.

| | PREVIOUSLY APPROVED | PROGRAM CHANGE DUE TO NEW STATUTE | CHANGE DUE TO ADJUSTMENT IN AGENCY ESTIMATE | REQUESTED |
|----------------------------|---------------------|-----------------------------------|---|-----------|
| Annual Number of Responses | 30,051 | +300 | +106,733 | 137,084 |
| Annual Time Burden (Hr) | 13,160 | +150 | +31,062 | 44,372 |

| | | | | |
|--|-----------|----------|------------|-----------|
| Annualized Cost to Respondents (\$) | \$262,808 | +\$5,171 | +\$608,956 | \$876,935 |
|--|-----------|----------|------------|-----------|

16. Tabulation of Results, Schedule, Analysis Plans.

Results will not be published.

17. Display of OMB Expiration Date.

Treasury is not requesting a waiver of the requirement to display the expiration date for this OMB Control Number.

18. Exceptions to Certification for Paperwork Reduction Act Submission.

There are no exceptions to the certification statement.