

Original amendment submission dates	Date of publication of final rule	Citation/description of approved provisions
April 25, 2011, May 8, 2018	March 18, 2024	CSR 38–2–2.6; 9.3.d; 11.3.f; 11.4; 11.6; 12.2.a, 12.5.b, c and d; 12.4.a.2.B, 12.4.b, 4.b.1 and 4.b.2; 12.4.d; 14.5.b.

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Regional Director, North Atlantic-Appalachian Region.

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DEPARTMENT OF THE TREASURY

Financial Crimes Enforcement Network

31 CFR Part 1010

Financial Crimes Enforcement Network; Inflation Adjustment of Civil Monetary Penalties

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

ACTION: Final rule.

SUMMARY: FinCEN is publishing this final rule to reflect inflation adjustments to its civil monetary penalties as mandated by the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended. This rule adjusts certain maximum civil monetary penalties within the jurisdiction of FinCEN to the amounts required by that Act.

DATES: Effective January 17, 2025.

FOR FURTHER INFORMATION CONTACT: FinCEN's Regulatory Support Section by submitting an inquiry at www.fincen.gov/contact.

SUPPLEMENTARY INFORMATION:

I. Background

To improve the effectiveness of civil monetary penalties (CMPs) and to maintain their deterrent effect, the Federal Civil Penalties Inflation Adjustment Act of 1990 (the “Act”)¹ requires Federal agencies to adjust for inflation each CMP provided by law within the jurisdiction of the agency. Under the Act, agencies are required to adjust CMPs annually and publish these

adjustments in the **Federal Register**.²

Agencies are to make the adjustments without engaging in notice-and-comment rulemaking, and these adjustments may be immediately effective upon publication.³ The Act provides that any increase in a CMP shall apply to CMPs that are assessed after the date the increase takes effect, regardless of whether the underlying violation predated such increase.⁴ FinCEN publishes CMP inflation adjustments in its regulations at 31 CFR 1010.821.

II. Method of Calculation

The method of calculating CMP adjustments applied in this final rule is determined by the Act. Under the Act and Office of Management and Budget (OMB) guidance, annual inflation adjustments are to be based on the percent change between the Consumer Price Index for all Urban Consumers (CPI-U) for the October preceding the date of the adjustment and the prior year's October CPI-U.⁵ As set forth in OMB Memorandum M–25–02 of December 17, 2024, the adjustment multiplier for 2025 is 1.02598. To complete the 2025 annual adjustment, each current FinCEN CMP is multiplied by the 2025 adjustment multiplier. Under the Act, any increase in CMP must be rounded to the nearest multiple of \$1.⁶

² Act, sec. 4(a).

³ Act, sec. 4(b)(2) (adjustments are to be made “notwithstanding” the rulemaking requirements of 5 U.S.C. 553 of the Administrative Procedure Act).

⁴ The increased CMPs, however, apply only with respect to underlying violations occurring after November 2, 2015, the date of enactment of the most recent amendment to the Act. Act, sec. 6.

⁵ Act, sec. 5; OMB Mem. M–25–02, Implementation of Penalty Inflation Adjustments for 2025, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (Dec. 17, 2024), available at <https://www.whitehouse.gov/wp-content/uploads/2024/12/M-25-02.pdf>.

⁶ Act, sec. 5(a). FinCEN previously applied a catch-up adjustment for each penalty subject to the Act in 2016 based on the year and corresponding amount(s) for which the maximum penalty or range of minimum and maximum penalties was established or last adjusted, whichever is later. See FinCEN, Civil Monetary Penalty Adjustment and Table, 81 FR 42503, 42504 (June 30, 2016). Because the year of establishment or last adjustment is different for different penalties, penalties that were of the same size when each was promulgated can

Procedural Matters

1. Administrative Procedure Act

Section 4(b) of the Act requires agencies, beginning in 2017, to make annual adjustments for inflation to CMPs notwithstanding the rulemaking requirements of 5 U.S.C. 553. Additionally, the methodology used for adjusting CMPs for inflation is provided by statute, with no discretion provided to agencies regarding the substance of the adjustments for inflation to CMPs. Accordingly, prior public notice and an opportunity for public comment and a delayed effective date are not required for this rule.

2. Regulatory Flexibility Act

Because no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) do not apply.

3. Executive Order 12866

This rule is not a significant regulatory action as defined in section 3(f) of Executive Order 12866, as amended.

4. Paperwork Reduction Act

The provisions of the Paperwork Reduction Act of 1995, Public Law 104–13, 44 U.S.C. chapter 35, and its implementing regulations, 5 CFR part 1320, do not apply to this rule because there are no new or revised recordkeeping or reporting requirements.

List of Subjects in 31 CFR Part 1010

Administrative practice and procedure, Aliens, Authority delegations (Government agencies), Banks, banking, Brokers, Business and industry, Citizenship and naturalization, Commodity futures, Currency, Electronic filing, Federal savings associations, Federal-State relations, Foreign persons, Holding companies, Indians, Indians—law, Indians—tribal government, Insurance companies, Investigations, Investment advisers, Investment companies, Law enforcement, Penalties, Reporting and

have different values today if promulgated at different times.

¹ Federal Civil Penalties Inflation Adjustment Act of 1990 (the “Act”), Public Law 101–410, 104 Stat. 890 (Oct. 5, 1990), as amended by the Debt Collection Improvement Act of 1996, Public Law 104–134, 110 Stat. 1321–373 (Apr. 26, 1996); the Federal Reports Elimination Act of 1998, Public Law 105–362, 112 Stat. 3293 (Nov. 10, 1998); and the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015, Public Law 114–74, 129 Stat. 599 (Nov. 2, 2015), codified as a statutory note to 28 U.S.C. 2461.

recordkeeping requirements, Small businesses, Securities, Terrorism, Time.

Authority and Issuance

For the reasons set forth in the preamble, part 1010 of chapter X of title 31 of the Code of Federal Regulations is amended as follows:

PART 1010—GENERAL PROVISIONS

■ 1. The authority citation for part 1010 continues to read as follows:

Authority: 12 U.S.C. 1829b and 1951–1959; 31 U.S.C. 5311–5314, 5316–5336; title III, sec. 314 Pub. L. 107–56, 115 Stat. 307; sec. 2006, Pub. L. 114–41, 129 Stat. 457; sec.

701 Pub. L. 114–74, 129 Stat. 599; sec. 6403, Pub. L. 116–283, 134 Stat. 3388.

■ 2. Amend § 1010.821 by revising table 1 to paragraph (b) to read as follows:

§ 1010.821 Penalty adjustment and table.

* * * * *
(b) * * *

TABLE 1 TO § 1010.821—PENALTY ADJUSTMENT TABLE

U.S. Code citation	Civil monetary penalty description	Penalties as last amended by statute	Maximum penalty amounts or range of minimum and maximum penalty amounts for penalties assessed on or after January 17, 2025
12 U.S.C. 1829b(j)	Relating to Recordkeeping Violations for Funds Transfers.	\$10,000	\$26,262
12 U.S.C. 1955	Willful or Grossly Negligent Recordkeeping Violations.	10,000	26,262
31 U.S.C. 5318(k)(3)(C) ...	Failure to Terminate Correspondent Relationship with Foreign Bank.	10,000	17,765
31 U.S.C. 5321(a)(1)	General Civil Penalty Provision for Willful Violations of Bank Secrecy Act Requirements.	25,000	71,545
31 U.S.C. 5321(a)(5)(B)(i)	Foreign Financial Agency Transaction—Non-Willful Violation of Transaction.	– 100,000	– 286,184
31 U.S.C. 5321(a)(5)(C)(i)(I).	Foreign Financial Agency Transaction—Willful Violation of Transaction.	10,000	16,536
31 U.S.C. 5321(a)(6)(A) ...	Negligent Violation by Financial Institution or Non-Financial Trade or Business.	100,000	165,353
31 U.S.C. 5321(a)(6)(B) ...	Pattern of Negligent Activity by Financial Institution or Non-Financial Trade or Business.	500	1,430
31 U.S.C. 5321(a)(7)	Violation of Certain Due Diligence Requirements, Prohibition on Correspondent Accounts for Shell Banks, and Special Measures.	50,000	111,308
31 U.S.C. 5330(e)	Civil Penalty for Failure to Register as Money Transmitting Business.	1,000,000	1,776,364
31 U.S.C. 5336(h)(3)(A)(i)	Civil Penalty for Beneficial Ownership Information Reporting Violation.	5,000	10,556
31 U.S.C. 5336(h)(3)(B)(i)	Civil Penalty for Unauthorized Disclosure or Use of Beneficial Ownership Information.	500	606
		500	606

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