

amended by Pub. L. 109–144, 119 Stat. 2660, Pub. L. 110–160, 121 Stat. 1839, Pub. L. 114–1, 129 Stat. 3, and Pub. L. 116–94, 133 Stat. 2534 (15 U.S.C. 6701 note); Pub. L. 114–74, 129 Stat. 601, Title VII (28 U.S.C. 2461 note).

■ 6. Amend § 50.83 by revising paragraph (a) to read as follows:

§ 50.83 Adjustment of civil monetary penalty amount.

(a) *Inflation adjustment.* Any penalty under the Act and these regulations may not exceed the greater of \$1,697,012 and, in the case of any failure to pay, charge, collect or remit amounts in accordance with the Act or these regulations such amount in dispute.

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Kayla Arslanian,
Executive Secretary.

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BILLING CODE 4810–AK–P

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 25, 2024.

FOR FURTHER INFORMATION CONTACT: The FinCEN Regulatory Support Section at 1–800–767–2825 or electronically at frc@fincen.gov.

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–24–07 of December 19, 2023, the adjustment multiplier for 2024 is 1.03241. To complete the 2024 annual adjustment, each current FinCEN CMP is multiplied by the 2024 adjustment multiplier. Under the Act, any increase in CMP must be rounded to the nearest multiple of \$1.⁶

This final rule lists adjusted CMPs associated with violations of the Corporate Transparency Act (CTA)⁷ for the first time: specifically, the CMPs for beneficial ownership information (BOI) reporting violations (31 U.S.C. 5336(h)(3)(A)(i)) and for the unauthorized disclosure or use of BOI (31 U.S.C. 5336(h)(3)(B)(i)). These CMPs were established when the CTA became

law in 2021, but were not published with prior adjustments because FinCEN's regulations implementing the CTA were then not yet effective.⁸ Because these CTA-associated CMPs will be effective in 2024, they are listed in this adjustment. As these CMPs were established in 2021, they were also subject to the CMP adjustments imposed in 2022 and 2023, even though they were not published with those adjustments; accordingly, this rule applies the 2022, 2023, and 2024 adjustment multipliers to the CMPs established by the CTA.⁹

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

⁸ The CTA's BOI reporting requirements are implemented by regulations effective January 1, 2024, and the CTA's requirements regarding BOI access and safeguards are implemented by regulations effective February 20, 2024. See FinCEN, Beneficial Ownership Information Reporting Requirements, 87 FR 59498 (Sept. 30, 2022); FinCEN, Beneficial Ownership Information Access and Safeguards, 88 FR 88732 (Dec. 22, 2023).

⁹ Under section 5(b)(2)(B) of the Act, the adjustment is to “be applied to the amount of the civil monetary penalty as it was most recently established or adjusted under a provision of law other than [the Act].” This amount is the penalty “established (*i.e.*, as originally enacted by Congress), or last adjusted (*i.e.*, by Congress in statute, or by the agency through regulation), whichever is later, other than pursuant to [Act].” OMB Mem. M–16–06 (Feb. 24, 2016). Because the CTA-associated CMPs were established by Congress in 2021 and have not since been adjusted by statute or regulation, they were subject to the 2022 and 2023 adjustments required by the Act, as well as the 2024 adjustment. FinCEN applied an adjustment multiplier of 1.06222 in 2022 and of 1.07745 in 2023 to CMPs. FinCEN, Inflation Adjustment of Civil Monetary Penalties, 87 FR 3433, 3434 (Jan. 24, 2022); FinCEN, Inflation Adjustment of Civil Monetary Penalties, 88 FR 3311, 3312 (Jan. 19, 2023).

¹ Public Law 101–410, as amended in 2015 by section 701 of Public Law 114–74 and codified as a note to 28 U.S.C. 2461.

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–24–07 (Dec. 19, 2023).

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 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 have different values today if promulgated at different times.

⁷ The CTA is Title LXIV of the William M. (Mac) Thornberry National Defense Authorization Act for Fiscal Year 2021, Public Law 116–283 (Jan. 1, 2021). The CTA is codified at 31 U.S.C. 5336.

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 and banking, Brokers, Business

and industry, Commodity futures, Currency, Citizenship and naturalization, Electronic filing, Federal savings associations, Federal-State relations, Federally recognized tribes, Foreign persons, Holding companies, Indian law, Indians, Insurance companies, Investment advisers, Investment companies, Investigations, Law enforcement, Penalties, Reporting and recordkeeping requirements, Small businesses, Securities, Terrorism, Tribal government, 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 1951–1960; 31 U.S.C. 5311–5314 and 5316–5336; title III, sec. 314, Pub. L. 107–56, 115 Stat. 307; sec. 2006, Pub. L. 114–41, 129 Stat. 458–459; sec. 701, Pub. L. 114–74, 129 Stat. 599.

■ 2. Amend § 1010.821 by revising table 1 of § 1010.821 to read as follows:

§ 1010.821 Penalty adjustment and table.

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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 25, 2024
12 U.S.C. 1829b(j)	Relating to Recordkeeping Violations for Funds Transfers	\$10,000	\$25,597
12 U.S.C. 1955	Willful or Grossly Negligent Recordkeeping Violations	10,000	25,597
31 U.S.C. 5318(k)(3)(C)	Failure To Terminate Correspondent Relationship with Foreign Bank.	10,000	17,315
31 U.S.C. 5321(a)(1)	General Civil Penalty Provision for Willful Violations of Bank Secrecy Act Requirements.	25,000–100,000	69,733–278,937
31 U.S.C. 5321(a)(5)(B)(i)	Foreign Financial Agency Transaction—Non-Willful Violation of Transaction.	10,000	16,117
31 U.S.C. 5321(a)(5)(C)(i)(I)	Foreign Financial Agency Transaction—Willful Violation of Transaction.	100,000	161,166
31 U.S.C. 5321(a)(6)(A)	Negligent Violation by Financial Institution or Non-Financial Trade or Business.	500	1,394
31 U.S.C. 5321(a)(6)(B)	Pattern of Negligent Activity by Financial Institution or Non-Financial Trade or Business.	50,000	108,489
31 U.S.C. 5321(a)(7)	Violation of Certain Due Diligence Requirements, Prohibition on Correspondent Accounts for Shell Banks, and Special Measures.	1,000,000	1,731,383
31 U.S.C. 5330(e)	Civil Penalty for Failure To Register as Money Transmitting Business.	5,000	10,289
31 U.S.C. 5336(h)(3)(A)(i)	Civil Penalty for Beneficial Ownership Information Reporting Violation.	500	591
31 U.S.C. 5336(h)(3)(B)(i)	Civil Penalty for Unauthorized Disclosure or Use of Beneficial Ownership Information.	500	591

Andrea M. Gacki,

Director, Financial Crimes Enforcement Network.

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DEPARTMENT OF HOMELAND SECURITY

Coast Guard

33 CFR Part 165

[Docket No. USCG–2024–0013]

Security Zone; Lower Mississippi River, Mile Marker 94 to 97 Above Head of Passes, New Orleans, LA

AGENCY: Coast Guard, DHS.

ACTION: Notification of enforcement of regulation.

SUMMARY: The Coast Guard will enforce a security zone for all navigable waters within 400 yards of the Left Descending Bank (LDB) of the Lower Mississippi River (LMR) Mile Marker (MM) 94.4 to MM 95.1, Above Head of Passes (AHP), New Orleans, LA. This security zone is necessary to provide security and protection for visiting personnel during the events related to the Mardi Gras celebration. No person or vessel may enter this security zone unless authorized by the Captain of the Port New Orleans (COTP) or a designated representative.