

and suppliers) that are indemnified by the Price-Anderson Act, 42 U.S.C. 2210(d). See 10 CFR 851.5(a).

* * * * *

PART 1013—PROGRAM FRAUD CIVIL REMEDIES AND PROCEDURES

■ 24. The authority citation for part 1013 continues to read as follows:

Authority: 31 U.S.C. 3801–3812; 28 U.S.C. 2461 note.

■ 25. Section 1013.3 is amended by revising paragraphs (a)(1)(iv) and (b)(1)(ii) to read as follows:

§ 1013.3 Basis for civil penalties and assessments.

(a) * * *

(1) * * *

(iv) Is for payment for the provision of property or services which the person has not provided as claimed, shall be subject, in addition to any other remedy that may be prescribed by law, to a civil penalty of not more than \$11,181 for each such claim.

* * * * *

(b) * * *

(1) * * *

(ii) Contains or is accompanied by an express certification or affirmation of the truthfulness and accuracy of the contents of the statement, shall be subject, in addition to any other remedy that may be prescribed by law, to a civil penalty of not more than \$11,181 for each such statement.

* * * * *

PART 1017—IDENTIFICATION AND PROTECTION OF UNCLASSIFIED CONTROLLED NUCLEAR INFORMATION

■ 26. The authority citation for part 1017 continues to read as follows:

Authority: 42 U.S.C. 7101 *et seq.*; 50 U.S.C. 2401 *et seq.*; 42 U.S.C. 2168; 28 U.S.C. 2461 note.

■ 27. Section 1017.29 is amended by revising paragraph (c) to read as follows:

§ 1017.29 Civil penalty.

* * * * *

(c) *Amount of penalty.* The Director may propose imposition of a civil penalty for violation of a requirement of a regulation under paragraph (a) of this section or a compliance order issued under paragraph (b) of this section, not to exceed \$264,093 for each violation.

* * * * *

PART 1050—FOREIGN GIFTS AND DECORATIONS

■ 28. The authority citation for part 1050 continues to read as follows:

Authority: The Constitution of the United States, Article I, Section 9; 5 U.S.C. 7342; 22 U.S.C. 2694; 42 U.S.C. 7254 and 7262; 28 U.S.C. 2461 note.

■ 29. Section 1050.303 is amended by revising the last sentence in paragraph (d) to read as follows:

§ 1050.303 Enforcement.

* * * * *

(d) * * * The court in which such action is brought may assess a civil penalty against such employee in any amount not to exceed the retail value of the gift improperly solicited or received plus \$20,021.

[FR Doc. 2018–00206 Filed 1–10–18; 8:45 am]

BILLING CODE 6450–01–P

FARM CREDIT ADMINISTRATION

12 CFR Part 622

RIN 3052–AD29

Rules of Practice and Procedure; Adjusting Civil Money Penalties for Inflation

AGENCY: Farm Credit Administration.

ACTION: Final rule.

SUMMARY: This regulation implements inflation adjustments to civil money penalties (CMPs) that the Farm Credit Administration (FCA) may impose or enforce pursuant to the Farm Credit Act of 1971, as amended (Farm Credit Act), and pursuant to the Flood Disaster Protection Act of 1973, as amended by the National Flood Insurance Reform Act of 1994 (Reform Act), and further amended by the Biggert-Waters Flood Insurance Reform Act of 2012 (Biggert-Waters Act).

DATES: *Effective date:* This regulation is effective on January 15, 2018.

FOR FURTHER INFORMATION CONTACT:

Michael T. Wilson, Policy Analyst, Office of Regulatory Policy, (703) 883–4124, TTY (703) 883–4056, wilsonm@fca.gov, or Autumn R. Agans, Attorney-Advisor, Office of General Counsel, (703) 883–4082, TTY (703) 883–4056, agansa@fca.gov.

SUPPLEMENTARY INFORMATION:

I. Objective

The objective of this regulation is to adjust the maximum CMPs for inflation through a final rulemaking to retain the deterrent effect of such penalties.

II. Background

A. Introduction

The Federal Civil Penalties Inflation Adjustment Act of 1990, as amended by the Debt Collection Improvement Act of

1996 (1996 Act) and the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015 (2015 Act) (collectively, 1990 Act, as amended), requires all Federal agencies with the authority to enforce CMPs to evaluate and adjust, if necessary, those CMPs each year to ensure that they continue to maintain their deterrent value and promote compliance with the law. Section 3(2) of the 1990 Act, as amended, defines a civil monetary penalty¹ as any penalty, fine, or other sanction that: (1) Either is for a specific monetary amount as provided by Federal law or has a maximum amount provided for by Federal law; (2) is assessed or enforced by an agency pursuant to Federal law; and (3) is assessed or enforced pursuant to an administrative proceeding or a civil action in the Federal courts.²

The FCA imposes and enforces CMPs through the Farm Credit Act³ and the Flood Disaster Protection Act of 1973, as amended. FCA's regulations governing CMPs are found in 12 CFR parts 622 and 623. Part 622 establishes rules of practice and procedure applicable to formal and informal hearings held before the FCA, and to formal investigations conducted under the Farm Credit Act. Part 623 prescribes rules regarding persons who may practice before the FCA and the circumstances under which such persons may be suspended or debarred from practice before the FCA.

B. CMPs Issued Under the Farm Credit Act

The Farm Credit Act provides that any Farm Credit System (System) institution or any officer, director, employee, agent, or other person participating in the conduct of the affairs of a System institution who violates the terms of a cease-and-desist order that has become final pursuant to section 5.25 or 5.26 of the Farm Credit Act must pay up to a maximum daily amount of \$1,000⁴ during which such violation continues. This CMP maximum was set by the Farm Credit Amendments Act of 1985, which amended the Farm Credit Act. Orders

¹ Note: While the 1990 Act, as amended by 1996 and 2015 Acts, uses the term “civil monetary penalties” for these penalties or other sanctions, the Farm Credit Act and the FCA Regulations use the term “civil money penalties.” Both terms have the same meaning. Accordingly, this rule uses the term civil money penalty, and both terms may be used interchangeably.

² See 28 U.S.C. 2461 note.

³ Public Law 92–181, as amended.

⁴ The inflation-adjusted CMP in effect on January 15, 2017, for a violation of a final order is \$2,224 per day, as set forth in § 622.61(a)(1) of FCA regulations.

issued by the FCA under section 5.25 or 5.26 of the Farm Credit Act include temporary and permanent cease-and-desist orders. In addition, section 5.32(h) of the Farm Credit Act provides that any directive issued under sections 4.3(b)(2), 4.3A(e), or 4.14A(i) of the Farm Credit Act “shall be treated” as a final order issued under section 5.25 of the Farm Credit Act for purposes of assessing a CMP.

Section 5.32(a) of the Farm Credit Act also states that “[a]ny such institution or person who violates any provision of the [Farm Credit] Act or any regulation issued under this Act shall forfeit and pay a civil penalty of not more than \$500⁵ per day for each day during which such violation continues.” This CMP maximum was set by the Agricultural Credit Act of 1987, which was enacted in 1988, and amends the Farm Credit Act. Current, inflation-adjusted CMP maximums are set forth in existing § 622.61 of FCA regulations.⁶

The FCA also enforces the Flood Disaster Protection Act of 1973,⁷ as amended by the National Flood Insurance Reform Act of 1994,⁸ which requires FCA to assess CMPs for a pattern or practice of committing certain specific actions in violation of the National Flood Insurance Program. The existing maximum CMP for a violation under the Flood Disaster Protection Act of 1973 is \$2,000.^{9 10}

C. Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015

1. In General

The 2015 Act required all Federal agencies to adjust the CMPs yearly, starting January 15, 2017.

Under Section 4(b) of the 1990 Act, as amended, annual adjustments are to be made yearly no later than January 15 of each year.¹¹ Section 6 of the 1990 Act, as amended, states that any increase to a civil monetary penalty under this 1990 Act applies only to civil monetary penalties, including those whose associated violation predated such

increase, which are assessed after the date the increase takes effect.

Section 5(b) of the 1990 Act, as amended, defines the term “cost-of-living adjustment” as the percentage (if any) for each civil monetary penalty by which (1) the Consumer Price Index (CPI) for the month of October of the calendar year preceding the adjustment, exceeds (2) the CPI for the month of October 1 year before the month of October referred to in (1) of the calendar year in which the amount of such civil monetary penalty was last set or adjusted pursuant to law.¹²

The increase for each CMP adjusted for inflation must be rounded using a method prescribed by section 5(a) of the 1990 Act, as amended, by the 2015 Act.¹³

2. Other Adjustments

If a civil monetary penalty is subject to a cost-of-living adjustment under the 1990 Act, as amended, but is adjusted to an amount greater than the amount of the adjustment required under the Act within the 12 months preceding a required cost-of-living adjustment, the agency is not required to make the cost-of-living adjustment to that CMP in that calendar year.¹⁴

III. Yearly Adjustments

A. Mathematical Calculations of 2018 Adjustments

The adjustment requirement affects two provisions of section 5.32(a) of the Farm Credit Act. For the 2018 yearly adjustments to the CMPs set forth by the Farm Credit Act, the calculation required by the 2017 White House Office of Management and Budget (OMB) guidance¹⁵ is based on the percentage by which the CPI for October 2017 exceeds the CPIs for October 2016. The OMB set forth guidance, as required by the 2015 Act,¹⁶ with a multiplier for calculating the new CMP values.¹⁷ The OMB multiplier for the 2018 CMPs is 1.02041.

The adjustment also affects the CMPs set by the Flood Disaster Protection Act

of 1973, as amended. The adjustment multiplier is the same for all FCA enforced CMPs, set at 1.02041. The maximum CMPs for violations were created in 2012 by the Biggert-Waters Act, which amended the Flood Disaster Protection Act of 1973.

1. New Penalty Amount in § 622.61(a)(1)

The inflation-adjusted CMP currently in effect for violations of a final order occurring on or after January 15, 2017, is a maximum daily amount of \$2,224.¹⁸ Multiplying the \$2,224 CMP by the 2017 OMB multiplier, 1.02041, yields a total of \$2,269.39. When that number is rounded as required by section 5(a) of the 1990 Act, as amended, the inflation-adjusted maximum increases to \$2,269. Thus, the new CMP maximum is \$2,269.

2. New Penalty Amount in § 622.61(a)(2)

The inflation-adjusted CMP currently in effect for violations of the Farm Credit Act or regulations issued under the Farm Credit Act occurring on or after January 15, 2017, is a maximum daily amount of \$1,005.¹⁹ Multiplying the \$1,005 CMP maximum by the 2017 OMB multiplier, 1.02041, yields a total of \$1,025.51. When that number is rounded as required by section 5(a) of the 1990 Act, as amended, the inflation-adjusted maximum increases to \$1,026. Thus, the new CMP maximum is \$1,026.

3. New Penalty Amounts for Flood Insurance Violations Under § 622.61(b)

The existing maximum CMP for a pattern or practice of flood insurance violations pursuant to 42 U.S.C. 4012a(f)(5) is \$2,090. Multiplying \$2,090 by the 2017 OMB multiplier, 1.02041, yields a total of \$2,132.65. When that number is rounded as required by section 5(a) of the 1990 Act, as amended, the new maximum assessment of the CMP for violating 42 U.S.C. 4012a(f)(5) is \$2,133. Thus, the new CMP maximum is \$2,133.

IV. Notice and Comment Not Required by Administrative Procedure Act

The 1990 Act, as amended, gives Federal agencies no discretion in the adjustment of CMPs for the rate of inflation. Further, these revisions are ministerial, technical, and noncontroversial. For these reasons, the FCA finds good cause to determine that public notice and an opportunity to comment are impracticable, unnecessary, and contrary to the public interest pursuant to the Administrative Procedure Act, 5 U.S.C. 553(b)(B), and adopts this rule in final form.

⁵ The inflation-adjusted CMP in effect on January 15, 2017, for a violation of the Farm Credit Act or a regulation issued under the Farm Credit Act is \$1,005 per day, as set forth in § 622.61(a)(2) of FCA regulations.

⁶ Prior adjustments were made under the 1990 Act.

⁷ 42 U.S.C. 4012a.

⁸ Public Law 103–325, title V, 108 Stat. 2160, 2255–87 (September 23, 1994).

⁹ Public Law 112–141, 126 Stat. 405 (July 6, 2012).

¹⁰ The inflation-adjusted CMP in effect on January 15, 2017, for a flood insurance violation is \$2,090, as set forth in § 622.61(b) of FCA regulations.

¹¹ Public Law 114–74, sec. 701(b)(1).

¹² The CPI is published by the Department of Labor, Bureau of Statistics, and is available at its website: <http://ftp.bls.gov/pub/special.requests/cpi/cpi.ai.txt>.

¹³ Pursuant to section 5(a)(3) of the 2015 Act, any increase determined under the subsection shall be rounded to the nearest \$1.

¹⁴ Pursuant to section 4(d) of the 1990 Act, as amended.

¹⁵ OMB Circular M–18–03, Implementation of Penalty Inflation Adjustments for 2018, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

¹⁶ 28 U.S.C. 2461 note, section 7(a).

¹⁷ OMB Circular M–18–03, Implementation of Penalty Inflation Adjustments for 2018, Pursuant to the Federal Civil Penalties Inflation Adjustment Act Improvements Act of 2015.

¹⁸ 12 CFR 622.61(a)(1).

¹⁹ 12 CFR 622.61(a)(2).

V. Regulatory Flexibility Act

Pursuant to section 605(b) of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), the FCA hereby certifies that this final rule will not have a significant economic impact on a substantial number of small entities. Each of the banks in the System, considered together with its affiliated associations, has assets and annual income in excess of the amounts that would qualify them as small entities. Therefore, System institutions are not “small entities” as defined in the Regulatory Flexibility Act.

List of Subjects in 12 CFR Part 622

Administrative practice and procedure, Crime, Investigations, Penalties.

For the reasons stated in the preamble, part 622 of chapter VI, title 12 of the Code of Federal Regulations is amended as follows:

PART 622—RULES OF PRACTICE AND PROCEDURE

- 1. The authority citation for part 622 continues to read as follows:

Authority: Secs. 5.9, 5.10, 5.17, 5.25–5.37 of the Farm Credit Act (12 U.S.C. 2243, 2244, 2252, 2261–2273); 28 U.S.C. 2461 note; and 42 U.S.C. 4012a(f).

- 2. Revise § 622.61 to read as follows:

§ 622.61 Adjustment of civil money penalties by the rate of inflation under the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended.

(a) The maximum amount of each civil money penalty within FCA’s jurisdiction is adjusted in accordance with the Federal Civil Penalties Inflation Adjustment Act of 1990, as amended (28 U.S.C. 2461 **note**), as follows:

(1) Amount of civil money penalty imposed under section 5.32 of the Act for violation of a final order issued under section 5.25 or 5.26 of the Act: The maximum daily amount is \$2,269 for violations that occur on or after January 15, 2018.

(2) Amount of civil money penalty for violation of the Act or regulations: The maximum daily amount is \$1,026 for each violation that occurs on or after January 15, 2018.

(b) The maximum civil money penalty amount assessed under 42 U.S.C. 4012a(f) is: \$385 for each violation that occurs on or after January 16, 2009, but before July 1, 2013, with total penalties under such statute not to exceed \$120,000 for any single institution during any calendar year; \$2,000 for each violation that occurs on or after July 1, 2013, but before August 1, 2016, with no cap on the total amount of penalties that can be assessed against any single institution during any calendar year; and \$2,133 for each violation that occurs on or after January 15, 2018, with no cap on the total amount of penalties that can be assessed against any single institution during any calendar year.

Dated: January 8, 2018.

Dale L. Aultman,
Secretary, Farm Credit Administration Board.
[FR Doc. 2018–00336 Filed 1–10–18; 8:45 am]

BILLING CODE 6705–01–P

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 211

[Release No. SAB 117]

Staff Accounting Bulletin No. 117

AGENCY: Securities and Exchange Commission.

ACTION: Publication of Staff Accounting Bulletin.

SUMMARY: This staff accounting bulletin modifies portions of the interpretive guidance included in the Staff Accounting Bulletin Series in order to make the relevant interpretive guidance consistent with authoritative accounting guidance and Securities and Exchange Commission rules and regulations. Specifically, the staff is updating the Series in order to bring existing guidance into conformity with the

Financial Accounting Standards Board Accounting Standards Codification Topic 321, *Investments—Equity Securities*.

DATES: *Effective:* January 11, 2018.

FOR FURTHER INFORMATION CONTACT: Brian Staniszewski, Professional Accounting Fellow, Office of the Chief Accountant at (202) 551–5300 or Lindsay McCord, Associate Chief Accountant, Division of Corporation Finance at (202) 551–3400, Securities and Exchange Commission, 100 F Street NE, Washington, DC 20549.

SUPPLEMENTARY INFORMATION: The statements in staff accounting bulletins are not rules or interpretations of the Commission, nor are they published as bearing the Commission’s official approval. They represent interpretations and practices followed by the Division of Corporation Finance and the Office of the Chief Accountant in administering the disclosure requirements of the federal securities laws.

List of Subjects in 17 CFR Part 211

Accounting, Reporting and recordkeeping requirements, Securities.

Dated: November 29, 2017.

Brent J. Fields,
Secretary.

Accordingly, part 211 of title 17 of the Code of Federal Regulations is amended as follows:

PART 211—INTERPRETATIONS RELATING TO FINANCIAL REPORTING MATTERS

- 1. Add an authority citation for part 211 to read as follows:

Authority: 15 U.S.C. 77g, 15 U.S.C. 77s(a), 15 U.S.C. 77aa(25) and (26), 15 U.S.C. 78c(b), 17 CFR 78l(b) and 13(b), 17 CFR 78m(b) and 15 U.S.C. 80a–8, 30(e) 15 U.S.C. 80a–29(e), 15 U.S.C. 80a–30, and 15 U.S.C. 80a–37(a).

- 2. Amend the table in subpart B by adding an entry for Staff Accounting Bulletin No. 117 at the end of the table to read as follows:

Subpart B—Staff Accounting Bulletins

Subject	Release No.	Date	Fed. Reg. Vol. and page
Publication of Staff Accounting Bulletin No. 117	SAB–117	1/11/2018	[INSERT Federal Register CITATION].

Note: The text of SAB 117 will not appear in the Code of Federal Regulations.

Staff Accounting Bulletin No. 117

This staff accounting bulletin modifies portions of the interpretive guidance included in the Staff Accounting Bulletin Series in order to

make the relevant interpretive guidance consistent with current authoritative accounting and auditing guidance and Securities and Exchange Commission (“Commission”) rules and regulations.