

hours per affected financial institution.⁷²

Estimated Total Annual Burden: 47,230 hours.

List of Subjects in 31 CFR Part 1010

Administrative practice and procedure, Banks and banking, Brokers, Counter-money laundering, Counter-terrorism, Foreign banking.

Authority and Issuance

For the reasons set forth in the preamble, Part 1010, 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, 5316–5332; Title III, sec. 314, Pub. L. 107–56, 115 Stat. 307; sec. 701, Pub. L. 114–74, 129 Stat. 599.

■ 2. Add § 1010.661 to read as follows:

§ 1010.661 Special measures against Iran.

(a) *Definitions.* For purposes of this section:

(1) *Iranian financial institution* means any foreign financial institution, as defined at § 1010.605(f), organized under Iranian law wherever located, including any agency, branch, office, or subsidiary of such a financial institution operating in any jurisdiction, and any branch or office within Iran of any foreign financial institution.

(2) *Correspondent account* has the same meaning as provided in § 1010.605(c).

(3) *Covered financial institution* has the same meaning as provided in § 1010.605(e)(1).

(4) *Foreign bank* has the same meaning as provided in § 1010.100.

(5) *Subsidiary* means a company of which more than 50 percent of the voting stock or analogous equity interest is owned by another company.

(b) *Prohibition on accounts and due diligence requirements for covered financial institutions*—(1) *Opening or maintaining correspondent accounts for Iranian financial institutions.* A covered financial institution shall not open or maintain in the United States a correspondent account for, or on behalf of, an Iranian financial institution, unless such account is authorized by United States Department of the

Treasury's Office of Foreign Assets Control (OFAC).

Note 1 to paragraph (b)(1): *Note that covered financial institutions should block and report to OFAC any accounts that are blocked pursuant to any OFAC sanctions authority and therefore should continue to maintain such accounts in accordance with the Reporting Procedures and Penalties Regulations, 31 CFR part 501.*

(2) *Prohibition on use of correspondent accounts.* A covered financial institution shall take reasonable steps to not process a transaction for the correspondent account of a foreign bank in the United States if such a transaction involves an Iranian financial institution, unless the transaction is authorized by, exempt from, or not prohibited under the International Emergency Economic Powers Act (IEEPA) (50 U.S.C. 1701 *et seq.*), any regulation, order, directive, or license issued pursuant thereto, or any other sanctions program administered by the Department of the Treasury's Office of Foreign Asset Control.

(3) *Special due diligence of correspondent accounts to prohibit use.* (i) A covered financial institution shall apply special due diligence to the correspondent accounts of a foreign bank that is reasonably designed to guard against their use to process transactions involving Iranian financial institutions that are prohibited, and not authorized or exempt, pursuant to the IEEPA, any regulation, order, directive, or license issued pursuant thereto, or any other sanctions program administered by the Department of the Treasury's Office of Foreign Asset Control ("prohibited transactions"). At a minimum, that special due diligence must include:

(A) Notifying those foreign correspondent account holders that the covered financial institution knows or has reason to believe the correspondent account is being used to process transactions involving Iranian financial institutions that such prohibited transactions may not take place; and

(B) Taking reasonable steps to identify any use of its foreign correspondent accounts for prohibited transactions involving Iranian financial institutions, to the extent that such use can be determined from transactional records maintained in the covered financial institution's normal course of business.

(ii) A covered financial institution shall take a risk-based approach when deciding what, if any, other due diligence measures it reasonably must adopt to guard against the use of its foreign correspondent accounts to process prohibited transactions involving Iranian financial institutions.

(iii) A covered financial institution that knows or has reason to believe that a foreign bank's correspondent account has been or is being used to process prohibited transactions involving Iranian financial institutions shall take all appropriate steps to further investigate and prevent such access, including the notification of its correspondent account holder under paragraph (b)(3)(i)(A) of this section and, where necessary, termination of the correspondent account.

(4) *Recordkeeping and reporting.* (i) A covered financial institution is required to document its compliance with the notice requirement set forth in this section.

(ii) Nothing in this section shall require a covered financial institution to report any information not otherwise required to be reported by law or regulation.

Kenneth A. Blanco,

Director, Financial Crimes Enforcement Network.

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NATIONAL FOUNDATION ON THE ARTS AND THE HUMANITIES

National Endowment for the Humanities

45 CFR Part 1169

RIN 3136-AA18

Implementation of the Privacy Act of 1974

AGENCY: National Endowment for the Humanities, National Foundation on the Arts and the Humanities.

ACTION: Final rule; technical correction.

SUMMARY: On July 19, 2019, the National Endowment for the Humanities (NEH) published in a final rule implementing its agency-specific Privacy Act regulation. This document makes technical corrections to that rule.

DATES: Effective November 4, 2019.

FOR FURTHER INFORMATION CONTACT: Elizabeth Voyatzis, Deputy General Counsel, Office of the General Counsel, National Endowment for the Humanities, 400 Seventh Street SW, Room 4060, Washington, DC 20506; (202) 606–8322; gencounsel@neh.gov.

SUPPLEMENTARY INFORMATION: On July 19, 2019, NEH published a final rule at 84 FR 34788 implementing its agency-specific Privacy Act regulation. That rule amended 45 CFR chapter XI, subchapter D, by adding part 1169.

⁷² The estimated burden is two hours per financial institution—one hour for a senior executive of the financial institution to review and approve the notice to be provided to correspondent account holders, and one hour for a compliance officer to provide notice to correspondent account holders.

When NEH added that part, the paragraphs within § 1169.8 were incorrectly designated because there were two paragraphs (b). This action corrects this error by redesignating the second paragraph (b) through paragraph (g) as paragraphs (c) through (h).

List of Subjects in 45 CFR Part 1169

Administrative practice and procedure, Privacy.

For the reasons set forth in the preamble, the National Endowment for the Humanities amends 45 CFR part 1169 as follows:

PART 1169—PRIVACY ACT REGULATIONS

■ 1. The authority citation for part 1169 continues to read as follows:

Authority: 5 U.S.C. 552a(f).

§ 1169.8 [Amended]

■ 2. Amend § 1169.8 by redesignating the second paragraph (b) through paragraph (g) as paragraphs (c) through (h).

Dated: October 8, 2019.

Elizabeth Voyatzis,

Deputy General Counsel, National Endowment for the Humanities.

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