

documents used to verify the identity of customers. In particular:

1. Should the regulations require financial institutions to make and maintain a photocopy of identification documents upon which the financial institution relies to verify identity in all cases?

2. Should the regulations identify specific instances in which photocopies of documents relied upon must be made and maintained?

3. Should the regulations provide guidance to financial institutions concerning risk factors indicating when photocopying identification documents relied upon may be appropriate?

The views of law enforcement, the industry, and others are sought, even if such views have been expressed previously in connection with the proposed rulemakings. This inquiry focuses on the recordkeeping requirements when a financial institution relies on documents to verify identity.

B. Documentary Verification of the Identity of Foreign Individuals

Under the risk-based approach of both the proposed and final rules, to the extent documents are used, financial institutions are given some discretion to determine which documentary forms of identification may be used to verify the identity of foreign individuals who seek to open an account. First, the final rules require financial institutions to obtain an identification number from all customers. For a non-U.S. person, an institution must obtain one or more of the following: a taxpayer identification number (social security number, individual taxpayer identification number, or employer identification number); passport number and country of issuance; alien identification card number; or number and country of issuance of any other government-issued document evidencing nationality or residence and bearing a photograph or similar safeguard. Noting the absence of a uniform, standard identification number that non-U.S. persons could provide to financial institutions,⁵ Treasury and the federal functional regulators permitted financial institutions to choose among a variety of identification numbers that it may accept from a non-U.S. person, provided that the identifying information the institution accepts must permit the institution to form a reasonable belief

that it knows the true identity of the customer.

Second, financial institutions must set forth the types of documentary identification that they will accept to verify identity. Financial institutions are encouraged to use multiple forms of identification to minimize risks. The final rules provide an illustrative list of identification documents that may be used. For an individual, these may include an unexpired government-issued identification evidencing nationality or residence and bearing a photograph or similar safeguard, such as a driver's license or passport.

Treasury and the federal functional regulators emphasized that the final rules neither endorsed nor prohibited a financial institution's acceptance of particular types of identification documents issued by foreign governments. Instead, a financial institution must decide for itself, based upon consideration of the appropriate risk factors, whether the information presented by a customer is reliable.

Ensuring the appropriate identification of all persons opening accounts at financial institutions, including non-U.S. citizens, is a significant goal of the final regulations. Therefore, Treasury seeks additional comment on whether there are situations in which the regulations should preclude reliance on certain forms of foreign government-issued identification to verify customer identity. The regulations presently rely on financial institutions to determine which forms of foreign-issued identification to accept and under what circumstances, in light of the risks associated with each form of identification.

1. Should the regulations preclude financial institutions' reliance on certain forms of identification issued by certain foreign governments?

2. Should the regulations require financial institutions to obtain a passport number from all customers who are non-U.S. citizens?

a. What are the anticipated effects on non-U.S. citizens in the United States who are not required to have a passport?

b. What are the anticipated effects on non-U.S. citizens who open accounts from abroad, and thus are not required to have a passport?

3. Is there sufficient empirical information to enable Treasury to assess the utility of the various forms of foreign-issued identification for purposes of accurately identifying the holder?

4. What would the impact be on the use of the conventional financial system if financial institutions were prohibited

from accepting certain forms of government-issued identification?

The views of law enforcement, the industry, and others are sought, even if such views have been expressed previously in connection with the proposed rulemakings.

The purpose of this Notice of Inquiry is to solicit further comment on the two issues outlined above and to enhance the administrative record. Only after considering all comments received in response to this notice of inquiry will Treasury determine whether to discuss with the federal functional regulators if it would be appropriate to jointly propose amendments to the final rules published on May 9, 2003, through a notice of proposed rulemaking. Financial institutions covered by the final rules are reminded of their obligation to be in compliance with the final rules by October 1, 2003.

III. Procedural Requirements

This document has been reviewed by the Office of Management and Budget as a significant regulatory action under Executive Order 12866.

Dated: June 25, 2003.

David D. Aufhauser,
General Counsel.

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ENVIRONMENTAL PROTECTION AGENCY

40 CFR Part 52

[TX-122-1-7613; FRL-7520-8]

Determination of Nonattainment as of November 15, 1996, and November 15, 1999, and Reclassification of the Beaumont/Port Arthur Ozone Nonattainment Area; State of Texas; Extension of Comment Period

AGENCY: Environmental Protection Agency (EPA).

ACTION: Proposed rule; extension of comment period.

SUMMARY: The United States Environmental Protection Agency is extending the comment period for a proposed action published Thursday, June 19, 2003 (68 FR 36756). On June 19, 2003, the EPA: proposed to withdraw our final approval of BPA's 2007 attainment demonstration State Implementation Plan (SIP), the motor vehicle emission budget (MVEB), the mid-course review commitment (MCR), our finding that BPA implemented all RACM; and withdrew the extension of the attainment date to 2007 and our

⁵ Treasury previously issued a report to Congress discussing the absence of a single identification number for non-U.S. persons. See Treasury Department, "A Report to Congress in Accordance with Section 326(b) of the USA PATRIOT Act," October 21, 2002.