



FEDERAL RESERVE BANK
OF DALLAS

HELEN E. HOLCOMB
FIRST VICE PRESIDENT AND
CHIEF OPERATING OFFICER

DALLAS, TEXAS
75265-5906

April 16, 1996

Notice 96-34

TO: The Chief Operating Officer of
each financial institution in the
Eleventh Federal Reserve District

SUBJECT

**Final Amendments to the
Bank Secrecy Act; Deferment of Final Rule**

DETAILS

The Board of Governors of the Federal Reserve System and the Department of the Treasury have issued final amendments to their rule that requires enhanced recordkeeping related to certain wire transfers by financial institutions.

The amendments revise the rule's definitions and make technical changes to conform the definitions of the parties to an international funds transfer to their meaning under Article 4A of the Uniform Commercial Code. These changes are intended to reduce the confusion of banks and to reduce the cost of complying with the rule's requirements.

The Board and the Treasury have also deferred the effective date of the recordkeeping rule and of Subpart B of Regulation S from April 1, 1996, to May 28, 1996.

ATTACHMENTS

Copies of the joint notices as they appear on pages 14382-86, Vol. 61, No. 63, of the *Federal Register* dated April 1, 1996, are attached.

MORE INFORMATION

For more information, please contact James Dean at (214) 922-6237. For additional copies of this Bank's notice, please contact the Public Affairs Department at (214) 922-5254.

Sincerely,

Helen E. Holcomb

For additional copies, bankers and others are encouraged to use one of the following toll-free numbers in contacting the Federal Reserve Bank of Dallas: Dallas Office (800) 333-4460; El Paso Branch *Intrastate* (800) 592-1631, *Interstate* (800) 351-1012; Houston Branch *Intrastate* (800) 392-4162, *Interstate* (800) 221-0363; San Antonio Branch *Intrastate* (800) 292-5810.

FEDERAL RESERVE SYSTEM

[Docket No. R-0807]

DEPARTMENT OF THE TREASURY**31 CFR Part 103**

RIN 1506-AA16

Amendment to the Bank Secrecy Act Regulations Relating to Recordkeeping for Funds Transfers and Transmittals of Funds by Banks and other Financial Institutions

AGENCY: Board of Governors of the Federal Reserve System; Department of the Treasury.

ACTION: Joint final rule; delay of effective date.

SUMMARY: On January 3, 1995, the Financial Crimes Enforcement Network (FinCEN) of the Department of the Treasury (Treasury) and the Board of Governors of the Federal Reserve System (Board) jointly published a final rule that requires enhanced recordkeeping related to certain funds transfers and transmittals of funds by financial institutions, effective January 1, 1996. (60 FR 220). On August 24, 1995, the Treasury and the Board delayed the effective date of the joint final rule until April 1, 1996, because of the uncertainty by financial institutions as to their responsibilities under the joint final rule with respect to international transfers pending final action on proposed amendments to the rule (60 FR 44144). To ensure that there is an adequate implementation period following final action on the proposed amendments, which are published elsewhere in today's **Federal Register**, the Treasury and the Board have delayed the effective date of the joint final rule until May 28, 1996.

EFFECTIVE DATE: Effective April 1, 1996, the effective date of the joint final rule amending 31 CFR part 103 published on January 3, 1995, at 60 FR 220, is further delayed until May 28, 1996.

FOR FURTHER INFORMATION CONTACT:

Treasury: Roger Weiner, Assistant Director, 202/622-0400; Stephen R. Kroll, Legal Counsel, 703/905-3534, FinCEN.

Board: Louise L. Roseman, Associate Director, 202/452-2789; Jeff Stehm, Manager, Fedwire Section, 202/452-2217; Division of Reserve Bank Operations and Payment Systems; Oliver Ireland, Associate General Counsel, 202/452-3625; or Elaine Boutilier, Senior Counsel 202/452-2418, Legal Division, Board of Governors of the Federal Reserve System. For the

hearing impaired only, Telecommunication Device for the Deaf (TDD), Dorothea Thompson, 202/452-3544.

The effective date of the joint final rule amending 31 CFR part 103 published by the Board and Treasury at 60 FR 220 on January 3, 1995, and delayed from January 1, 1996, to April 1, 1996 (60 FR 44144, August 24, 1995), is further delayed until May 28, 1996.

In concurrence:
By order of the Board of Governors of the Federal Reserve System, March 26, 1996.

William W. Wiles,
Secretary to the Board.

By the Department of the Treasury, March 26, 1996.

Stanley E. Morris,
Director, Financial Crimes Enforcement Network.

[FR Doc. 96-7683 Filed 3-29-96; 8:45 a.m.]

BILLING CODE Board: 6210-01-P (50%)
Treasury: 4820-03 (50%)

FEDERAL RESERVE SYSTEM**12 CFR Part 219**

[Regulation S; Docket No. R-0807]

Reimbursement for Providing Financial Records; Recordkeeping Requirements for Certain Financial Records

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Final rule; delay of effective date.

SUMMARY: On January 3, 1995, the Board of Governors of the Federal Reserve System (Board) published a final rule that established Subparts A and B of Regulation S (60 FR 231). Subpart B cross-references the substantive provisions of a joint rule adopted by the Board and the Department of the Treasury on the same day. The joint rule requires enhanced recordkeeping related to certain funds transfers and transmittals of funds by financial institutions. The Board and the Department of the Treasury have delayed the effective date of the joint final rule until May 28, 1996, to provide financial institutions sufficient time to prepare to comply with the rule pending final action on the proposed amendments, which are published elsewhere in today's issue of the **Federal Register**. Because Subpart B of Regulation S relies on the joint final rule for its substantive provisions, its effective date is also delayed until May 28, 1996.

EFFECTIVE DATES: Effective April 1, 1996, the effective date for 12 CFR part 219, Subpart B, which was added at 60 FR 231 published on January 3, 1995, is further delayed until May 28, 1996.

FOR FURTHER INFORMATION CONTACT:

Louise L. Roseman, Associate Director, 202/452-2789; Jeff Stehm, Manager, 202/452-2217; Darrell Mak, Financial Services Analyst, 202/452-3223, Fedwire Section, Division of Reserve Bank Operations and Payment Systems; Oliver Ireland, Associate General Counsel, 202/452-3625; or Elaine Boutilier, Senior Counsel 202/452-2418, Legal Division, Board of Governors of the Federal Reserve System. For the hearing impaired only, Telecommunication Device for the Deaf (TDD), Dorothea Thompson, 202/452-3544.

The effective date of 12 CFR part 219, Subpart B, added by the Board at 60 FR 231 on January 3, 1995, and delayed from January 1, 1996, to April 1, 1996 (60 FR 44144, August 24, 1995), is further delayed until May 28, 1996.

By order of the Board of Governors of the Federal Reserve System, March 26, 1996.

William W. Wiles,
Secretary to the Board.

[FR Doc. 96-7684 Filed 3-29-96; 8:45 a.m.]

BILLING CODE 6210-01-P

Department of the Treasury (Treasury) and the Board of Governors of the Federal Reserve System (Board) jointly have adopted amendments to their final rule that requires enhanced recordkeeping related to certain funds transfers and transmittals of funds by financial institutions (the joint rule). These amendments revise the joint rule's definitions and make technical conforming changes to the substantive provisions of the joint rule to conform the definitions of the parties to an international transfer to their meanings under Article 4A of the Uniform Commercial Code (UCC 4A). The revised definitions will also affect the provisions of a Treasury companion rule, adopted in January 1995, known as the travel rule, which requires financial institutions to include in transmittal orders certain information that must be maintained under the joint rule. Treasury is also publishing amendments to its travel rule. See companion final rule amending the travel rule published elsewhere in today's issue of the **Federal Register**. The amendments are intended to reduce confusion of banks and nonbank financial institutions as to the applicability of the joint rule and the travel rule and to reduce the cost of complying with the rules' requirements. The Treasury and the Board believe that the amendments will not have a material adverse effect on the rules' usefulness in law enforcement investigations and proceedings. The amendments should not affect a bank's responsibilities under the rules with respect to domestic funds transfers. Furthermore, to ensure that there is an adequate implementation period following final action on the proposed amendments, the Treasury and the Board have delayed the effective date of the joint final rule until May 28, 1996. See the final rule; delay of effective date published elsewhere in today's issue of the **Federal Register**.

EFFECTIVE DATE: May 28, 1996.

FOR FURTHER INFORMATION CONTACT:

Treasury: Roger Weiner, Assistant Director, 202/622-0400; Stephen R. Kroll, Legal Counsel, 703/905-3534, FinCEN.

Board: Louise L. Roseman, Associate Director, 202/452-2789; Darrell Mak, Financial Services Analyst, 202/452-3223; Division of Reserve Bank Operations and Payment Systems; Oliver Ireland, Associate General Counsel, 202/452-3625; or Elaine Boutilier, Senior Counsel 202/452-2418, Legal Division, Board of Governors of the Federal Reserve System. For the hearing impaired *only*,

Telecommunication Device for the Deaf (TDD), Dorothea Thompson, 202/452-3544.

SUPPLEMENTARY INFORMATION:

I. Background

The statute generally referred to as the Bank Secrecy Act (BSA) (Pub. L. 91-508, codified at 12 U.S.C. 1829b and 1951-1959, and 31 U.S.C. 5311-5330) authorizes the Secretary of the Treasury to require financial institutions to keep records and file reports that the Secretary determines have a high degree of usefulness in criminal, tax, or regulatory investigations or proceedings. The authority of the Secretary to administer the BSA has been delegated to the Director of FinCEN. The BSA was amended by the Annunzio-Wylie Anti-Money Laundering Act of 1992 (Pub. L. 102-550), which authorizes the Treasury and the Board to prescribe regulations to require maintenance of records regarding domestic and international funds transfers. The Treasury and the Board are required to promulgate jointly, after consultation with state banking supervisors, recordkeeping requirements for international funds transfers by depository institutions and nonbank financial institutions. The Treasury and the Board are required to consider the usefulness of recordkeeping rules for international funds transfers in criminal, tax, or regulatory investigations or proceedings and the effect of such rules on the cost and efficiency of the payments system. The Treasury and the Board are authorized to promulgate regulations for domestic funds transfers by depository institutions. The Treasury, but not the Board, is authorized to promulgate recordkeeping and reporting requirements for domestic funds transfers by nonbank financial institutions.

In January 1995, the Treasury and the Board jointly published enhanced recordkeeping requirements related to certain funds transfers and transmittals of funds by banks and other financial institutions, in accordance with the BSA (60 FR 220, January 3, 1995). At the same time, the Treasury adopted a companion rule, known as the travel rule, which requires financial institutions to include in transmittal orders certain information that must be retained under the joint rule (60 FR 234, January 3, 1995). The joint rule sets forth definitions of terms used in both rules.

Subsequent to adoption of the joint rule, several large banks as well as bank counsel advised the Treasury and the

FEDERAL RESERVE SYSTEM

[Docket No. R-0888]

DEPARTMENT OF THE TREASURY

31 CFR Part 103

RIN 1506-AA16

Amendment to the Bank Secrecy Act Regulations Relating to Recordkeeping for Funds Transfers and Transmittals of Funds by Banks and Other Financial Institutions

AGENCY: Department of the Treasury; Board of Governors of the Federal Reserve System.

ACTION: Joint final rule.

SUMMARY: The Financial Crimes Enforcement Network (FinCEN) of the

Board that compliance with the joint rule and the travel rule would be complicated if the parties to an international funds transfer were defined differently in the joint rule than they are in the Uniform Commercial Code Article 4A (UCC 4A). Under the joint rule adopted in January, the first U.S. bank office that handles an incoming international funds transfer was defined as the originator's bank.¹ Under UCC 4A and the Board's Regulation J governing Fedwire transfers (12 CFR Part 210, subpart B), which incorporates UCC 4A, if the U.S. bank receives a payment order from a foreign bank and executes a corresponding payment order to a subsequent receiving bank, the first U.S. bank would be deemed an intermediary bank rather than the originator's bank. Large banks that regularly process international funds transfers believe that substantial confusion would result from defining the parties to an international funds transfer for the purposes of the BSA rules differently from the manner in which they are defined under UCC 4A. In addition, several banks indicated that they believe the difference between the BSA and the UCC 4A definitions may cause certain problems in the application of the joint rule and the travel rule to international funds transfers.

In August 1995, the Treasury and the Board proposed amendments to the joint rule to address industry concerns regarding the confusion created by defining the parties to an international funds transfer in a manner that is not consistent with the roles of the parties as defined by UCC 4A (60 FR 44146, August 24, 1995). In their notice of the proposed amendments, the Treasury and the Board included a detailed illustration of the operational issues raised by industry representatives.

Under the proposed amendments, the definition of the first U.S. bank office that handles an incoming international funds transfer would be changed from an originator's bank to an intermediary bank. Corresponding changes were proposed to address the same issues with respect to nonbank financial institutions that conduct international transmittals of funds. In addition, the

¹ The originator's bank was defined as "the receiving bank to which the payment order of the originator is issued if the originator is not a bank, or the originator if the originator is a bank." (103.11(w)) A receiving bank was defined as "the bank to which the sender's instruction is addressed." (103.11(aa)) As the definition of bank was limited to an "agent, agency, branch or office within the United States" (103.11(c)), a receiving bank must be a U.S. banking office, and therefore the originator's bank was the first U.S. banking office to handle the transfer.

Treasury and the Board proposed amending section 103.33(e)(6) by deleting the word "domestic" prior to the word "bank" and prior to the words "broker or dealer in securities." These changes have no material effect on the scope of the exclusions set forth in this section as the word "bank" is defined to be limited to offices located within the United States and the term "broker or dealer in securities" is limited to brokers registered with the Securities and Exchange Commission.

Also in August 1995, Treasury and the Board deferred the effective date of the joint rule until April 1, 1996 from January 1, 1996, to provide financial institutions sufficient time to prepare to comply with their responsibilities under the joint final rule with respect to international transfers pending final action on the proposed amendments to the joint rule (60 FR 44144, August 24, 1995). To ensure that there is an adequate implementation period following final action on the proposed amendments, the Treasury and the Board have delayed further the effective date of the joint final rule until May 28, 1996. See the final rule; delay of effective date published elsewhere in today's issue of the **Federal Register**.

II. Summary of Public Comments

The Treasury and the Board received eleven comments on the proposed amendments. The following table identifies the number of commenters by type of organization:

Commercial Banks	4
Federal Reserve Banks	3
Savings Institutions	1
Trade Association	1
Credit Union Association	1
Clearing House Association	1
Total Public Comments	11

Ten comment letters supported the proposed amendments to the joint rule. Commenters agreed that amending the definitions of the parties to an international transfer in the joint rule will reduce confusion with respect to the interpretation of the rules and will facilitate compliance with the rules' requirements.

One commenter requested that the Treasury and the Board define how intermediary banks might be expected to retrieve records. All banks are subject to the general retrievability requirements under section 103.38(d). Under this standard, the expected timeliness of retrievability will vary by request. Generally, records should be accessible within a reasonable period of time, considering the quantity of records requested, the nature and age of the

record, the amount and type of information provided by the law enforcement agency making the request, as well as the particular bank's volume and capacity to retrieve the records. Intermediary banks are obligated to comply with any properly executed subpoena or search warrant. No changes have been made to the final rule with respect to the retrievability requirements.

Another commenter requested that the Treasury and the Board clarify the applicability of the joint rule in cases in which an originator's bank accomplishes a transfer by issuing a check payable to another bank. The Treasury and the Board plan to address this and other issues in a commentary that will be published to address various aspects of the joint rule.

One bank commented that the applicability of the BSA regulations to small banks would not serve a high degree of usefulness in criminal, tax or regulatory investigations or proceedings. The Treasury and the Board believe that exempting small institutions would facilitate money laundering through those institutions.

III. Conclusion

Based on the responses received by the commenters, the Treasury and the Board have adopted the amendments to the joint rule as proposed. The Treasury and the Board do not believe that these amendments will increase the cost of compliance with the rules' requirements for those banks and nonbank financial institutions that have prepared to comply with the rules under the assumption that the first U.S. banking office in an international transfer is subject to the originator's bank responsibilities. Further, the Treasury and the Board do not believe that identifying the banks in an international transfer in the same manner as they are defined in UCC 4A will reduce the usefulness of the information to law enforcement, *provided* that intermediary banks comply with the requirements of 103.38(d). As part of the 36-month review of the effectiveness of the joint rule and the travel rule, Treasury will monitor the experience of law enforcement in obtaining from intermediary banks information retained pursuant to the joint rule.

IV. Paperwork Reduction Act

The collection of information required by the joint final rule, which is being amended in this notice, was submitted by the Treasury to the Office of Management and Budget in accordance with the requirements of the Paperwork Reduction Act (44 U.S.C. 3504(h)) under

control number 1505-0063. (60 FR 227, January 3, 1995) The collection is authorized, as before, by 12 U.S.C. 1829b and 1959 and 31 U.S.C. 5311-5330.

The changes to the joint final rule in this document will eliminate information collection requirements that were required by the joint final rule. Therefore, no additional Paperwork Reduction Act submissions are required.

V. Regulatory Flexibility Act

Pursuant to section 605(b) of the Regulatory Flexibility Act (5 U.S.C. 605(b)), the Treasury and the Board hereby certify that these amendments to the joint final rule will not have a significant economic impact on a substantial number of small entities. The amendments eliminate uncertainty as to the application of the joint final rule and reduce the cost of complying with the joint rule's requirements. Further, the amendments affect international funds transfers and transmittals of funds, which are handled almost exclusively by large institutions. Accordingly, a regulatory flexibility analysis is not required.

VI. Executive Order 12866

The Treasury finds that these amendments to the joint rule are not "significant" for purposes of Executive Order 12866. The modifications should reduce the cost of compliance with the joint rule and the travel rule. The Treasury believes that these rule changes will not affect adversely in a material way the economy, a sector of the economy, productivity, competition, jobs, the environment, public health or safety, or state, local, or tribal governments or communities. These revisions create no inconsistencies with, nor do they interfere with actions taken or planned by other agencies. Finally, these revisions raise no novel legal or policy issues. A cost and benefit analysis therefore is not required.

VII. Unfunded Mandates Reform Act of 1995 Statement

Section 202 of the Unfunded Mandates Reform Act of 1995, Pub. L. 104-4 (Unfunded Mandates Act), signed into law on March 22, 1995, requires that an agency prepare a budgetary impact statement before promulgating a rule that includes a federal mandate that may result in expenditure by state, local, and tribal governments, in the aggregate, or by the private sector, of \$100 million or more in any one year. The Treasury has determined that it is not required to prepare a written budgetary impact statement for the amendments, and has concluded that

the amendments are the most cost-effective and least burdensome means of achieving the stated objectives of the rule.

List of Subjects in 31 CFR Part 103

Administrative practice and procedure, Banks, banking, Brokers, Currency, Foreign banking, foreign currencies, Gambling, Investigations, Penalties, Reporting and recordkeeping requirements, Securities.

Amendment

For the reasons set forth in the preamble, 31 CFR Part 103 is amended as set forth below:

PART 103—FINANCIAL RECORDKEEPING AND REPORTING OF CURRENCY AND FOREIGN TRANSACTIONS

1. The authority citation for Part 103 is revised to read as follows:

Authority: 12 U.S.C. 1829b and 1951-1959; 31 U.S.C. 5311-5330.

2. Section 103.11 is amended by revising paragraphs (e), (w), (y) introductory text, (aa), (bb), (dd), (kk) introductory text, (ll), and (mm) to read as follows:

§ 103.11 Meaning of terms.

(e) *Beneficiary's bank.* The bank or foreign bank identified in a payment order in which an account of the beneficiary is to be credited pursuant to the order or which otherwise is to make payment to the beneficiary if the order does not provide for payment to an account.

(w) *Originator's bank.* The receiving bank to which the payment order of the originator is issued if the originator is not a bank or foreign bank, or the originator if the originator is a bank or foreign bank.

(y) *Payment order.* An instruction of a sender to a receiving bank, transmitted orally, electronically, or in writing, to pay, or to cause another bank or foreign bank to pay, a fixed or determinable amount of money to a beneficiary if:

(aa) *Receiving bank.* The bank or foreign bank to which the sender's instruction is addressed.

(bb) *Receiving financial institution.* The financial institution or foreign financial agency to which the sender's instruction is addressed. The term receiving financial institution includes a receiving bank.

(dd) *Recipient's financial institution.* The financial institution or foreign financial agency identified in a transmittal order in which an account of the recipient is to be credited pursuant to the transmittal order or which otherwise is to make payment to the recipient if the order does not provide for payment to an account. The term recipient's financial institution includes a beneficiary's bank, except where the beneficiary is a recipient's financial institution.

(kk) *Transmittal order.* The term transmittal order includes a payment order and is an instruction of a sender to a receiving financial institution, transmitted orally, electronically, or in writing, to pay, or cause another financial institution or foreign financial agency to pay, a fixed or determinable amount of money to a recipient if:

(ll) *Transmittor.* The sender of the first transmittal order in a transmittal of funds. The term transmittor includes an originator, except where the transmittor's financial institution is a financial institution or foreign financial agency other than a bank or foreign bank.

(mm) *Transmittor's financial institution.* The receiving financial institution to which the transmittal order of the transmittor is issued if the transmittor is not a financial institution or foreign financial agency, or the transmittor if the transmittor is a financial institution or foreign financial agency. The term transmittor's financial institution includes an originator's bank, except where the originator is a transmittor's financial institution other than a bank or foreign bank.

3. In § 103.33, paragraphs (e) introductory text, (e)(1)(i) introductory text, (e)(1)(ii), (e)(1)(iii), (e)(6)(i)(A) through (e)(6)(i)(G), (e)(6)(ii), (f) introductory text, (f)(1)(i) introductory text, (f)(1)(ii), (f)(1)(iii), (f)(6)(i)(A) through (f)(6)(i)(G) and (f)(6)(ii) are revised to read as follows:

§ 103.33 Records to be made and retained by financial institutions.

(e) *Banks.* Each agent, agency, branch, or office located within the United States of a bank is subject to the requirements of this paragraph (e) with respect to a funds transfer in the amount of \$3,000 or more:

(1) *Recordkeeping requirements.* (i) For each payment order that it accepts as an originator's bank, a bank shall obtain and retain either the original or

a microfilm, other copy, or electronic record of the following information relating to the payment order:

* * * * *

(ii) For each payment order that it accepts as an intermediary bank, a bank shall retain either the original or a microfilm, other copy, or electronic record of the payment order.

(iii) For each payment order that it accepts as a beneficiary's bank, a bank shall retain either the original or a microfilm, other copy, or electronic record of the payment order.

* * * * *

(6) *Exceptions.* * * *

(i) * * *

- (A) A bank;
- (B) A wholly-owned domestic subsidiary of a bank chartered in the United States;
- (C) A broker or dealer in securities;
- (D) A wholly-owned domestic subsidiary of a broker or dealer in securities;
- (E) The United States;
- (F) A state or local government; or
- (G) A federal, state or local government agency or instrumentality; and

(ii) Funds transfers where both the originator and the beneficiary are the same person and the originator's bank and the beneficiary's bank are the same bank.

(f) *Nonbank financial institutions.* Each agent, agency, branch, or office located within the United States of a financial institution other than a bank is subject to the requirements of this paragraph (f) with respect to a transmittal of funds in the amount of \$3,000 or more:

(1) *Recordkeeping requirements.* (i)

For each transmittal order that it accepts as a transmittor's financial institution, a financial institution shall obtain and retain either the original or a microfilm, other copy, or electronic record of the following information relating to the transmittal order:

* * * * *

(ii) For each transmittal order that it accepts as an intermediary financial institution, a financial institution shall retain either the original or a microfilm, other copy, or electronic record of the transmittal order.

(iii) for each transmittal order that it accepts as a recipient's financial institution, a financial institution shall retain either the original or a microfilm, other copy, or electronic record of the transmittal order.

* * * * *

(6) *Exceptions.* * * *

(i) * * *

- (A) A bank;

(B) A wholly-owned domestic subsidiary of a bank chartered in the United States;

(C) A broker or dealer in securities;

(D) A wholly-owned domestic subsidiary of a broker or dealer in securities;

(E) The United States;

(F) A state or local government; or

(G) A federal, state or local government agency or instrumentality; and

(ii) Transmittals of funds where both the transmittor and the recipient are the same person and the transmittor's financial institution and the recipient's financial institution are the same broker or dealer in securities.

In concurrence:
By order of the Board of Governors of the Federal Reserve System, March 26, 1996.

William W. Wiles,
Secretary to the Board.

By the Department of the Treasury, March 26, 1996.

Stanley E. Morris,
Director, Financial Crimes Enforcement Network.

[FR Doc. 96-7685 Filed 3-29-96; 8:45 am]

BILLING CODES Board: 6210-01-P (50%) Treasury: 4820-03 (50%)