

Service. However, personnel from other offices participated in its development.

**List of Subjects**

*19 CFR Part 4*

Customs duties and inspection, Entry, Inspection, Merchandise, Reporting and recordkeeping requirements, Vessels.

*19 CFR Part 178*

Collections of information, Reporting and recordkeeping requirements.

**Amendments to the Regulations**

Parts 4 and 178, Customs Regulations (19 CFR parts 4 and 178), are amended as set forth below.

**PART 4—VESSELS IN FOREIGN AND DOMESTIC TRADES**

1. The general authority citation for part 4 as well as the specific authority citation for § 4.39 continue to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 66, 1431, 1433, 1434, 1624; 46 U.S.C. App. 3, 91;  
\* \* \* \* \*

Section 4.39 also issued under 19 U.S.C. 1446;  
\* \* \* \* \*

2. Section 4.39 is amended by adding a new paragraph (g) to read as follows:

**§ 4.39 Stores and equipment of vessels and crews' effects; unloading or lading and retention on board.**  
\* \* \* \* \*

(g) Equipment of a vessel arriving either directly or indirectly from a foreign port or place, if in need of repairs in the United States, may be unladen from and reladen upon the same vessel under the procedures set forth in § 4.30 relating to the granting of permits and special licenses on Customs Form 3171 (CF 3171). Adequate protection of the revenue is insured under the appropriate International Carrier Bond during the period that equipment is temporarily landed for

repairs (see § 113.64(b) of this chapter), and so resort to the procedures established for the temporary importation of merchandise under bond is unnecessary. Once equipment which has been unladen under the terms of a CF 3171 has been reladen on the same vessel, potential liability for that transaction existing under the bond will be extinguished.

**PART 178—APPROVAL OF INFORMATION COLLECTION REQUIREMENTS**

1. The authority citation for part 178 continues to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 1624; 44 U.S.C. 3501 *et seq.*

2. Section 178.2 is amended by adding new listings in the table in appropriate numerical order to read as follows:

**§ 178.2 Listing of OMB control numbers.**

19 CFR section	Description	OMB control No.
§§ 4.10, 4.16, 4.30, 4.37, 4.39, 4.91, 10.60, 24.16, 122.29, 122.38, 123.8, 146.32, 146.34.	Application-Permit-Special License, Unloading-Lading, Overtime Services (Customs Form 3171).	1515-0013
Part 113	Customs Bond Structure (Customs Form 301 and Customs Form 5297)	1515-0144

Approved: June 18, 2000.  
**Raymond W. Kelly,**  
*Commissioner of Customs.*  
**John P. Simpson,**  
*Deputy Assistant Secretary of the Treasury.*  
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**DEPARTMENT OF THE TREASURY**

**Customs Service**

**19 CFR Part 24**

[T.D. 00-62]

RIN 1515-AC48

**Endorsement of Checks Deposited by Customs**

**AGENCY:** U.S. Customs Service, Department of the Treasury.  
**ACTION:** Final rule.

**SUMMARY:** This document amends the Customs Regulations to reflect changes concerning information that authorized Customs employees are required to place on instruments (such as checks) tendered for payment of duties, taxes, and other fees and charges. These

changes are designed to avoid a conflict with Federal Reserve System regulations that govern the endorsement of checks by banks.

**EFFECTIVE DATE:** October 20, 2000.

**FOR FURTHER INFORMATION CONTACT:** Gregory L. Pence, Branch Chief, Financial Policy Branch, Office of Finance ((202) 927-9183).

**SUPPLEMENTARY INFORMATION:**

**Background**

Under § 24.1 of the Customs Regulations (19 CFR 24.1), procedures for the collection of Customs duties, taxes, charges, and fees are set forth. Under § 24.1(b), applicable to noncommercial importations at piers, terminals, bridges, airports, and other similar places, Customs employees authorized to collect payments may accept a personal check and must ensure that certain information is recorded on the check. Under § 24.1(b)(1), with respect to personal checks received under § 24.1(b) and certain other checks and money orders received under § 24.1(a), Customs employees must show, on the reverse side of the check or money order, their name, badge number, and the serial or

other identification number from the collection voucher.

Requirements applicable to banks endorsing checks are set forth under regulations of the Federal Reserve System (12 CFR 229.35) Appendix D to Part 229 of the Federal Reserve System regulations (Title 12, Chapter II)(entitled "Indorsement Standards") pertains to the endorsements of depository, collecting, and returning banks. It sets forth the specific information that must or may be provided and requires that such information must be recorded on the reverse side of checks. The Appendix also provides that the readability, identifiability, and legibility of the depository bank's endorsement must be protected. It cautions the depository bank not to interfere with the readability of the endorsement, and it carefully sets forth specific requirements for collecting and returning banks to follow for the purpose of protecting that endorsement.

The requirement under the Customs Regulations that Customs employees must place information on the reverse side of monetary instruments conflicts with the purpose and intent of the requirements of 12 CFR 229.35 and App. D of Part 229 of Title 12 CFR

regarding the protection of bank endorsements. For this reason, Customs issued a Notice of Proposed Rulemaking, published in the **Federal Register** (64 FR 62619) on November 17, 1999, proposing that required information be placed on the face side of monetary instruments accepted for Customs payments. The notice requested comments on the proposed amendments. No comments were received. After further consideration of this matter, Customs has determined to adopt the proposed changes as a final rule. This document amends §§ 24.1(b) and 24.1(b)(1) of the Customs Regulations, accordingly.

**Executive Order 12866**

This document does not meet the criteria for a “significant regulatory action” as specified in Executive Order 12866.

**Regulatory Flexibility Act**

Pursuant to the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*), it is certified that the amendments to the Customs Regulations set forth in this document will not have a significant economic impact on a substantial number of small entities. These amendments regarding the endorsement of checks and other instruments will improve the processing of these instruments, without any additional burden on businesses or individuals. Accordingly, these amendments are not subject to the regulatory analysis or other requirements of 5 U.S.C. 603 and 604.

**Drafting Information**

The principal author of this document was Bill Conrad, Office of Regulations and Rulings, U.S. Customs Service. Personnel from other offices contributed in its development.

**List of Subjects in 19 CFR Part 24**

Accounting, Claims, Customs duties and inspection, Fees, Financial and accounting procedures, Imports, Taxes.

**Amendments to the Regulations**

For the reasons stated in the preamble, part 24 of the Customs Regulations (19 CFR part 24) is amended as follows:

**PART 24—CUSTOMS FINANCIAL AND ACCOUNTING PROCEDURE**

1. The general authority citation for part 24 and the relevant specific authority citation continue to read as follows:

**Authority:** 5 U.S.C. 301; 19 U.S.C. 58a–58c, 66, 1202 (General Note 20, Harmonized Tariff

Schedule of the United States), 1505, 1624; 26 U.S.C. 4461, 4462; 31 U.S.C. 9701.

Section 24.1 also issued under 19 U.S.C. 197, 198, 1648;

\* \* \* \* \*

2. In § 24.1, the second and third sentences of introductory paragraph (b) and all of paragraph (b)(1) are revised to read as follows:

**§ 24.1 Collection of Customs duties, taxes, and other charges.**

\* \* \* \* \*

(b) \* \* \* Where the amount of the check is over \$25, the Customs cashier or other employee authorized to receive Customs collections will ensure that the payor’s name, home and business telephone number (including area code), and date of birth are recorded on the face (front) side of the monetary instrument. In addition, one of the following will be recorded on the face side of the instrument: preferably, the payor’s social security number or, alternatively, a current passport number or current driver’s license number (including issuing state). \* \* \*

(1) Where the amount is less than \$100 and the identification requirements of paragraph (a)(4) of this section have been met, the Customs employee accepting the check or money order will place his name and badge number on the collection voucher and place the serial number or other form of voucher identification on the face side of the check or money order so that the check or money order can be easily associated with the voucher.

\* \* \* \* \*

Dated: Approved: July 18, 2000.

**Raymond W. Kelly,**  
*Commissioner of Customs.*

**John P. Simpson,**  
*Deputy Assistant Secretary of the Treasury.*  
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**DEPARTMENT OF THE TREASURY**

**31 CFR Part 1**

**Internal Revenue Service; Privacy Act, Implementation**

**AGENCY:** Office of the Secretary, Treasury.

**ACTION:** Final rule.

**SUMMARY:** In accordance with the requirements of the Privacy Act of 1974, 5 U.S.C. 552a, as amended, the Department of the Treasury gives notice of a final rule to exempt an Internal Revenue Service system of records entitled “IRS Audit Trail and Security

Records System—Treasury/IRS 34.037,” from certain provisions of the Privacy Act. The exemption is intended to comply with the legal prohibitions against the disclosure of certain kinds of information and to protect certain information, about individuals, maintained in this system of records.

**EFFECTIVE DATE:** September 20, 2000.

**FOR FURTHER INFORMATION CONTACT:** David Silverman, Tax Law Specialist, 6103/Privacy Operations, Governmental Liaison and Disclosure, Internal Revenue Service, at 202–622–6200.

**SUPPLEMENTARY INFORMATION:** The Department of the Treasury published a notice of a proposed rule exempting a system of records from certain provisions of the Privacy Act of 1974, as amended, on November 17, 1999, at 64 FR 62620–62622. The Internal Revenue Service (IRS) published the system notice in its entirety on November 19, 1999, at 63 FR 63108. Under 5 U.S.C. 552a(k)(2), the head of an agency may promulgate rules to exempt any system of records within the agency from certain provisions of the Privacy Act of 1974, as amended, if the system is investigatory material compiled for law enforcement purposes. The IRS Audit Trail and Security Records System—Treasury/IRS 34.037 contains investigatory material compiled for law enforcement purposes.

The proposed rule requested that public comments be sent to the Governmental Liaison and Disclosure Office, Internal Revenue Service, 1111 Constitution Ave., NW, Washington, DC 20224, no later than January 22, 1999. The Governmental Liaison and Disclosure Office received comments addressing the issues below from one individual. As discussed below, no changes to the rule were made on the basis of these comments.

First, the commenter stated that the system notice lacked specificity as to the users of the system because the notice provided that “[o]utside of IRS information systems, the office of the Treasury Inspector General for Tax Administration is the principal user of the data contained in this system of records.” The use of the word “principal” would permit other personnel to have access to this system of records. The language in the current rule is the same that is used for the Treasury/IRS 34.020, the Audit Lead Trail Analysis System. This is because it is impossible to predict that only the information systems personnel and the Treasury Inspector General for Tax Administration may have a need to use this system. This system concerns primarily audit logs that track access to