



Consumer Financial
Protection Bureau

1700 G Street NW, Washington, DC 20552

CFPB Bulletin 2012-08

Re: Remittance Rule Implementation (Subpart B of Regulation E)

Date: November 27, 2012

The Consumer Financial Protection Bureau (CFPB or the Bureau) expects to issue a proposal next month to refine three elements of its rule regarding foreign remittance transfers. The proposal will be narrowly targeted to address the rule's provisions on: (1) errors resulting from incorrect account numbers provided by senders of remittance transfers; (2) the disclosure of certain foreign taxes and third-party fees; and (3) the disclosure of sub-national, foreign taxes. The Bureau will proceed on a fast track with a notice of proposed rulemaking, which will propose these changes. This notice will propose to amend the final rule issued earlier this year, currently set to take effect on February 7, 2013. The notice will also propose a brief extension of the effective date of the rule until 90 days after the Bureau finalizes the proposal. The Bureau anticipates providing this extension in order to permit providers to adjust their systems in response to the proposed requirements. The Bureau expects that the proposed effective date will be sometime during the spring of 2013.

The CFPB's proposed adjustments will be designed to facilitate implementation and compliance with the rule's requirements while maintaining the rule's valuable new consumer protections and ensuring that they can be effectively delivered to consumers.

The Bureau expects the proposal to address the following three topics:

- *Situations in which a sender provides an incorrect account number to a remittance transfer provider.* As the Bureau announced during its webinar on the remittance rule on October 16, 2012, the CFPB plans to propose revisions to the rule's error resolution provisions. Specifically, the proposal will address the way the rule applies to situations in which a sender provides an incorrect account number to a remittance transfer provider resulting in a remittance transfer being deposited into the wrong account. The CFPB intends to propose that where the provider can demonstrate that the consumer provided the incorrect information, the provider would be required to attempt to recover the funds but would not be liable for the funds if those efforts are unsuccessful.
- *Disclosure of third party fees and foreign taxes.* The CFPB plans to propose revisions to the rule's disclosure provisions concerning foreign taxes and fees assessed by the financial institution receiving the transfer. The proposal would provide additional flexibility around these requirements, including by permitting providers to base fee disclosures on published bank fee schedules and by providing further guidance on foreign tax disclosures where certain variables may affect tax rates.

- *Disclosure of regional and local taxes assessed in foreign countries.* The CFPB also plans to propose that the obligation for providers to disclose foreign taxes imposed on remittance transfers is limited to taxes imposed at the national level, and does not encompass taxes that may be imposed by foreign, sub-national jurisdictions.

The CFPB expects to issue a notice of proposed rulemaking next month to explain the changes in detail and to seek public comment. After considering the public comments, the Bureau will issue a final rule as quickly as possible. The Bureau anticipates proposing to extend the effective date on the original rule until 90 days after it finalizes the proposal. Based on current expectations, this would mean that the effective date for the remittance transfer rule will be during the spring.

The Bureau will continue to work with industry and others to facilitate preparations for implementation during the intervening period. The Bureau expects to move quickly once the proposal is issued to ensure that the new consumer protections afforded by the rule can be effectively implemented and delivered to consumers as soon as possible.

This bulletin and other information related to the remittance transfer rule are available on the CFPB's website at <http://www.consumerfinance.gov/regulations/final-remittance-rule-amendment-regulation-e/>.