

**Supporting Statement for the  
Structure Reporting and Recordkeeping Requirements for  
Domestic and Foreign Banking Organizations  
(FR Y-6, FR Y-7, FR Y-10, and FR Y-10E; OMB No. 7100-0297)**

## Summary

The Board of Governors of the Federal Reserve System (Board), under authority delegated by the Office of Management and Budget (OMB), proposes to extend for three years, with revision, the Structure Reporting and Recordkeeping Requirements for Domestic and Foreign Banking Organizations (OMB No. 7100-0297). This information collection comprises the following four reports:

- Annual Report of Holding Companies (FR Y-6), which collects financial and organizational information from holding companies (HCs) and foreign banking organizations (FBOs) that are not “qualifying” FBOs under section 211.23 of the Board’s Regulation K - International Banking Operations (12 CFR Part 211),<sup>1</sup>
- Annual Report of Foreign Banking Organizations (FR Y-7), which collects financial and organizational information from qualifying FBOs,
- Report of Changes in Organizational Structure (FR Y-10), which is an event-generated report that captures changes in organizational structure or regulated investments and activities of various Board-supervised entities, and
- Supplement to the Report of Changes in Organizational Structure (FR Y-10E),<sup>2</sup> which is a formless supplement to the FR Y-10 that the Board may use to collect additional structural information on an emergency basis.

The Board proposes to revise the FR Y-7 report by adding an electronic submission option and adding standard templates for (1) a portion of reporting item one, financial statements, (2) a portion of item two, organization chart, (3) all of item three, shares and shareholders, (4) all of item four, eligibility as a qualified foreign banking organization, and (5) all of item five, prudential standards compliance. Lastly, the Board proposes to make other minor clarifications and conforming edits to the FR Y-7 forms and instructions. There are no proposed changes to the FR Y-6, FR Y-10, or FR Y-10E. The proposed effective date for the changes is December 31, 2024.

The current estimated total annual burden for the FR Y-6, FR Y-7, FR Y-10, and FR Y-10E reports is 54,695 hours, and would increase to 55,979 hours. The proposed revisions

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<sup>1</sup> See 12 CFR 211.23(a).

<sup>2</sup> Certain criteria apply to information collections conducted via the Board’s ad hoc clearance process. Such information collections shall (1) be vetted by the Board’s clearance officer, as well as the Division director responsible for the information collection, (2) display the OMB control number, (3) inform respondents that the information collection has been approved, (4) be used only in such cases where response is voluntary, (5) not be used to substantially inform regulatory actions or policy decisions, (6) be conducted only and exactly as described in the OMB submission, (7) involve only noncontroversial subject matter that will not raise concerns for other Federal agencies, (8) include a detailed justification of the effective and efficient statistical survey methodology (if applicable), and (9) collect personally identifiable information (PII) only to the extent necessary (if collecting sensitive PII, the form must display a current Privacy Act notice). In addition, for each information collection instrument, respondent burden will be tracked and submitted to OMB.

would result in an increase of 1,284 hours. The form and instructions for the FR Y-6, FR Y-7, and FR Y-10 are available on the Board's public website at <https://www.federalreserve.gov/apps/reportingforms>. There is no formal reporting form for the FR Y-10E.

## **Background and Justification**

The Board has collected organizational structure reports in some form since the implementation of the Bank Holding Company Act of 1956 (BHC Act). The information collected through the FR Y-6, FR Y-7, FR Y-10, and FR Y-10E reports is not available from other sources.

The Board uses the FR Y-6 to collect financial and structural information from top-tier HCs and certain FBOs to ensure operations are conducted in a safe and sound manner and to assess compliance with applicable laws and regulations, including the BHC Act, Change in Bank Control Act, Home Owners' Loan Act (HOLA), and the Board's Regulation Y - Bank Holding Companies and Change in Bank Control (12 CFR Part 225), Regulation LL - Savings and Loan Holding Companies (12 CFR Part 238), and Regulation YY - Enhanced Prudential Standards (12 CFR Part 252). With regard to FBOs, the FR Y-6 collects information from any FBO that does not meet the requirements of and is not treated as a qualifying FBO under section 211.23 of Regulation K (12 CFR 211.23). As discussed below, the FR Y-6 collects, among other things, information about the principal owners and directors of an HC. This information is of supervisory importance because these individuals can have a significant effect on the policies and condition of banking organizations. The FR Y-6 also collects data on outside business interests of directors and officers, including information that indicates whether an individual owns 25 percent or more of any other banking organizations; this information aids the Federal Reserve in identifying chain-banking organizations. Information on the outside business interests of insiders is useful to identify situations that involve a conflict of interest or preferential treatment in granting credit. In addition, the FR Y-6 serves as a source of HC structure information for the public. The FR Y-6 data are available to other federal financial supervisory agencies for use in their supervision of their respective supervised entities.

With respect to FBOs that are bank holding companies (BHCs), the Board uses the FR Y-7 to collect financial and structural information from qualifying FBOs to assess each FBO's ability to be a continuing source of strength to its U.S. operations. In addition, the Board uses the information to assess whether an FBO is a qualifying FBO and determine compliance with U.S. laws and regulations.

The Board uses the information collected on the FR Y-10 to monitor that the activities of reporting financial institutions are safe and sound and to assess compliance with applicable laws and regulations, including the BHC Act, Gramm-Leach-Bliley Act, Federal Reserve Act (FRA), HOLA, and the Board's Regulation K, Regulation Y, Regulation LL, and Regulation YY.

The Board uses the FR Y-10E when there is an immediate need to collect critical organizational information at the earliest practicable date. The Board uses these supplemental requests to meet time-sensitive legislative requirements, answer Congressional inquiries, or

respond to critical market events that otherwise could not be addressed in a sufficiently timely manner.

### **Description of Information Collection**

The FR Y-6 is filed by all top-tier HCs and non-qualifying FBOs. The report collects an organizational chart and annual verification of domestic branches within the organization and includes information on the identity, percentage ownership, and business interests of principal shareholders, directors, and executive officers. The FR Y-6 can be filed via a paper or electronic (Portable Document Format) submission to the appropriate Federal Reserve Bank. Holding companies must maintain in their files a physical copy of the manually signed FR Y-6 cover page for a period of three years following submission.

The FR Y-7 is an annual report by qualifying FBOs that have a U.S. banking presence. The report collects financial statements, organizational information, shares and shareholder information, and data on the eligibility to be a qualified FBO as defined by the Board's Regulation K. The FR Y-7 can be filed via a paper submission mailed to the appropriate Federal Reserve Bank.

The FR Y-10 is an event-generated information collection that captures changes in organizational structure or the regulated investments and activities of various entities. The FR Y-10 can be filed electronically or via a paper, email, or fax submission to the appropriate Federal Reserve Bank. Holding companies must maintain in their files a physical copy of the manually signed FR Y-10 cover page for a period of three years following submission.

The FR Y-10E is a free-form supplement to the FR Y-10 that the Board uses to collect additional structural information as needed on an emergency basis. Responses for the FR Y-10E are voluntary. Submission methods vary depending on the nature and time-sensitivity of the data requests.<sup>3</sup>

### **Respondent Panel**

The FR Y-6 panel comprises top-tier BHCs, savings and loan holding companies (SLHCs), employee stock ownership plans (ESOPs) and employee share ownership trusts (ESOTs) or trusts that are BHCs or SLHCs, securities holding companies, intermediate holding companies (IHCs), and any FBO that does not meet the requirements of and is not treated as a qualifying FBO under Regulation K.

The FR Y-7 panel comprises all qualifying FBOs that engage in banking in the United States, either directly or indirectly.

The FR Y-10 and FR Y-10E panels comprise top-tier BHCs (including ESOPs or ESOTs that are BHCs and financial holding companies); top-tier SLHCs, including ESOPs, ESOTs, or trusts that are SLHCs pursuant to Regulation LL; FBOs; state member banks that are not controlled by an HC; Edge and agreement corporations that are not controlled by a member

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<sup>3</sup> The FR Y-10E has not been used since the last clearance cycle.

bank, a domestic HC, or an FBO; and nationally chartered banks that are not controlled by a BHC or an FBO (with regard to their foreign investments only); and securities holding companies.

### **Frequency and Time Schedule**

Respondents submit the FR Y-6 annually, no later than 90 calendar days after the end of the top-tier HC's fiscal year. Qualifying FBOs submit the FR Y-7 annually as of the end of the FBO's fiscal year, and the data are due no later than four months after the reporter's fiscal year-end. The FR Y-10 is event-generated, and covered financial institutions submit the data within 30 calendar days of a reportable transaction or event. The FR Y-10E is event-generated, and the Board collects the data from covered financial institutions on an as-needed basis.

### **Proposed Revisions to the FR Y-7**

#### *FR Y-7 Report Due Date*

The Board proposes to change the due date of the FR Y-7 report from four months after the reporter's fiscal year end to 120 calendar days. This change provides more clarity around the actual due date of the report for respondents and end users of the data. The use of the actual number of days is also consistent with most other Federal Reserve reports, including the FR Y-6 report.

#### *FR Y-7 Report Form Standard Templates*

The Board proposes to add an electronic filing option for the FR Y-7, and to automate and add standard templates for a portion of reporting item one, financial statements; a portion of item two, organization chart; all of item three, shares and shareholders; all of item four, eligibility as a qualified foreign banking organization; and all of item five, prudential standards compliance. Unlike other Board reports, the FR Y-7 is not currently submitted electronically. Instead, respondents mail their initial report and any subsequent revisions to the appropriate Reserve Bank. The manual processes around the collection and maintenance of this report can be costly and burdensome for respondents. Adding the capability to submit and maintain the report electronically would reduce reporter burden and support costs over time. Moreover, an electronic filing option would streamline the report submission process and make it easier to revise reports.

Additionally, the FR Y-7 form, which primarily consists of a checklist, is in a relatively unstructured format that allows respondents to submit required data items in different formats. For example, respondents may submit shareholder information in a Microsoft Word document or in an Excel spreadsheet. In other cases, respondents submit their annual report with an attached cover memo referencing the appropriate page numbers where Federal Reserve analysts can locate the relevant FR Y-7 report information. The proposed templates would outline the specific information required and would eliminate the need for respondents to create multiple documents to submit data. It would also provide more clarity around reporting requirements and help eliminate extraneous information, which is often submitted along with the required data.

## *FR Y-7 Clarifications and Conforming Edits*

Lastly, the Board proposes to make other minor clarifications and conforming edits to the FR Y-7 forms and instructions

### **Public Availability of Data**

Limited structural data from the information collection are published on the National Information Center's public website at <https://www.ffiec.gov/NPW>. Unless granted confidential treatment, additional respondent data are available to the public upon request through the appropriate Reserve Bank.

### **Legal Status**

The FR Y-6 is authorized by section 5(c)(1) of the BHC Act (12 U.S.C. § 1844(c)(1)) for BHCs, section 10(b)(2) of HOLA (12 U.S.C. § 1467a(b)(2)) for SLHCs, and section 618 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) (12 U.S.C. § 1850a(c)(1)) for securities holding companies. The Board has authority to require IHCs file the FR Y-6 pursuant to section 5(c) of the BHC Act (12 U.S.C. § 1844(c)) and sections 102(a)(1) and 165 of the Dodd-Frank Act (12 U.S.C. §§ 5311(a)(1) and 5365).<sup>4</sup> The Board has the authority to require any top-tier HC that is organized under foreign law but is not a FBO, and any FBO that does not meet the requirements of and is not treated as a qualifying FBO under Regulation K, to file the FR Y-6 under sections 8(a) and 13(a) of the International Banking Act of 1978 (IBA) (12 U.S.C. §§ 3106(a) and 3108(a)) and section 5(c)(1) of the BHC Act (12 U.S.C. § 1844(c)(1)). Section 8(a) of the IBA makes certain FBOs subject to the provisions of the BHC Act, and section 13(a) of the IBA authorizes the Board to “issue such rules, regulations, and orders as” it may deem necessary in order to perform its “respective duties and functions under this chapter and to administer and carry out the provisions and purposes of this chapter and prevent evasions thereof.”

The FR Y-7 is authorized by sections 8(a) and 13(a) of the IBA and section 5(c)(1) of the BHC Act for qualifying FBOs.

The FR Y-10 and FR Y-10E are authorized by section 5(c)(1) of the BHC Act for bank holding companies, section 10(b)(2) of HOLA for savings and loan holding companies, and section 618 of the Dodd-Frank Act for securities holding companies. The Board is authorized to require state member banks and agreement and Edge corporations to file the FR Y-10 by reporting authorities located in sections 9(6), 25, and 25A of the FRA (for state member banks, agreement corporations, and Edge corporations, respectively) (12 U.S.C. §§ 324, 602, and 625,

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<sup>4</sup> Section 102(a)(1) of the Dodd-Frank Act (12 U.S.C. § 5311(a)(1)), defines “bank holding company” for purposes of Title I of the Dodd-Frank Act to include FBOs that are treated as bank holding companies under section 8(a) of the IBA (12 U.S.C. § 3106(a)). The Board has required, pursuant to section 165(b)(1)(B)(iv) of the Dodd-Frank Act (12 U.S.C. § 5365(b)(1)(B)(iv)), certain FBOs subject to section 165 of the Dodd-Frank Act to form U.S. IHCs. Accordingly, the parent foreign-based organization of a U.S. IHC is treated as a BHC for purposes of the BHC Act and section 165 of the Dodd-Frank Act. Because section 5(c) of the BHC Act authorizes the Board to require reports from subsidiaries of BHCs, section 5(c) provides authority to require U.S. IHCs to report the information contained in the FR Y-6 report.

respectively). Similarly, information collection from national banks under the FR Y-10 and FR Y-10E with respect to their foreign branches, their investments made under Subpart A of Regulation K, and foreign branches of their foreign subsidiaries that are investments made under Subpart A of Regulation K, are authorized by the reporting authorities located in sections 25 and 25A of the FRA. The Board has the authority to require FBOs to file the FR Y-10 under sections 8(a) and 13(a) of the IBA and section 5(c)(1) of the BHC Act. Information collections under the FR Y-6, FR Y-7, and FR Y-10 are mandatory. Information collections under the FR Y-10E are voluntary.

Individual respondents may request that information submitted to the Board through the FR Y-6, FR Y-7, FR Y-10, and FR Y-10E be kept confidential. If a respondent requests confidential treatment, the Board will determine whether the information is entitled to confidential treatment on a case-by-case basis. To the extent a respondent submits nonpublic commercial or financial information, which is both customarily and actually treated as private by the respondent, the respondent may request confidential treatment pursuant to exemption 4 of the Freedom of Information Act (FOIA) (5 U.S.C. § 552(b)(4)). To the extent a respondent submits personal, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of privacy, the respondent may request confidential treatment pursuant to exemption 6 of the FOIA (5 U.S.C. § 552(b)(6)). Additionally, personal home addresses of securities holders submitted in response to the FR Y-7 will be treated as confidential pursuant to exemption 6 of the FOIA.

### **Consultation Outside the Agency**

There has been no consultation outside the Federal Reserve System.

### **Public Comments**

On March 29, 2024, the Board published an initial notice in the *Federal Register* (89 FR 22145) requesting public comment for 60 days on the extension, with revision, of the FR Y-6, FR Y-7, FR Y-10, and FR Y-10E reports. The comment period for this notice expires on May 28, 2024.

### **Estimate of Respondent Burden**

As shown in the table below, the estimated total annual burden for the FR Y-6, FR Y-7, FR Y-10, and FR Y-10E reports is 54,695 hours, and would increase to 55,979 hours. The proposed revisions would result in an increase of 1,284 hours. The average hours per response would remain the same for the FR Y-6, FR Y-10 and FR Y-10E reports. The Board estimates that the initial average hours per response for the FR Y-7 report would increase from 8.47 hours to 10.10 hours. This increase is due to the initial implementation of the proposed changes. The estimated average hours per response after the initial implementation would be 4.63 hours. The burden estimate was produced using the standard Board burden calculation methodology. These reporting and recordkeeping requirements represent less than 1 percent of the Board's total paperwork burden.

| <b>FR Y-6, FR Y-7, FR Y-10, and FR Y-10E</b> | <i>Estimated number of respondents<sup>5</sup></i> | <i>Estimated annual frequency</i> | <i>Estimated average hours per response</i> | <i>Estimated annual burden hours</i> |
|--|--|-----------------------------------|---|--------------------------------------|
| <b>Current</b>                               |  |                                   |   |                                      |
| <b>Reporting</b>                             |  |                                   |   |                                      |
| FR Y-6                                       | 3,760  | 1                                 | 2.5   | 9,400                                |
| FR Y-7                                       | 205  | 1                                 | 8.47  | 1,736                                |
| FR Y-10                                      | 3,790  | 3.50 <sup>6</sup>                 | 2.5   | 33,153                               |
| FR Y-10E                                     | 3,790  | 1                                 | 0.5   | 1,895                                |
| <b>Recordkeeping</b>                         |  |                                   |   |                                      |
| FR Y-6                                       | 3,760  | 1                                 | 0.5   | 1,880                                |
| FR Y-10                                      | 3,790  | 3.50                              | 0.5   | <u>6,631</u>                         |
| <i>Current Total</i>                         |  |                                   |   | 54,695                               |
| <b>Proposed</b>                              |  |                                   |   |                                      |
| <b>Reporting</b>                             |  |                                   |   |                                      |
| FR Y-6                                       | 3,760  | 1                                 | 2.5   | 9,400                                |
| FR Y-7 Initial                               | 205  | 1                                 | 10.10                                       | 2,071                                |
| FR Y-7 Ongoing                               | 205  | 1                                 | 4.63  | 949                                  |
| FR Y-10                                      | 3,790  | 3.50                              | 2.5   | 33,153                               |
| FR Y-10E                                     | 3,790  | 1                                 | 0.5   | 1,895                                |
| <b>Recordkeeping</b>                         |  |                                   |   |                                      |
| FR Y-6                                       | 3,760  | 1                                 | 0.5   | 1,880                                |
| FR Y-10                                      | 3,790  | 3.50                              | 0.5   | <u>6,631</u>                         |
| <i>Proposed Total</i>                        |  |                                   |   | 55,979                               |
| <i>Change</i>                                |  |                                   |   | 1,284                                |

<sup>5</sup> Of these respondents, 2,568 for the FR Y-6; 1 for the FR Y-7; 2,689 for the FR Y-10; and 2,689 for the FR Y-10E are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$850 million in total assets). Size standards effective March 17, 2023. See <https://www.sba.gov/document/support-table-size-standards>. There are no special accommodations given to mitigate the burden on small institutions.

<sup>6</sup> In 2022, there were 13,261 FR Y-10's processed for the 3,790 reporting institutions. This volume yields an approximate annual frequency of 3.50.

The estimated total annual cost to the public for the FR Y-6, FR Y-7, FR Y-10, and FR Y-10E reports is \$3,623,544, and would increase to \$3,708,609 with the proposed revisions.<sup>7</sup>

### **Sensitive Questions**

These collections of information contain no questions of a sensitive nature, as defined by OMB guidelines.

### **Estimate of Cost to the Federal Reserve System**

The estimated cost to the Federal Reserve System for collecting and processing these reports is \$2,730,600 per year.

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<sup>7</sup> Total cost to the responding public is estimated using the following formula: total burden hours, multiplied by the cost of staffing, where the cost of staffing is calculated as a percent of time for each occupational group multiplied by the group's hourly rate and then summed (30% Office & Administrative Support at \$22, 45% Financial Managers at \$80, 15% Lawyers at \$79, and 10% Chief Executives at \$118). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor Statistics (BLS), *Occupational Employment and Wages, May 2022*, published April 25, 2023, <https://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.