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# Federal Open Market Committee—Rules of Organization

As amended effective September 20, 2016

## SECTION 1—AUTHORITY

The rules<sup>i</sup> are issued by the Federal Open Market Committee (the “Committee”) pursuant to the requirement of section 552 of title 5 of the United States Code<sup>ii</sup> that every agency shall publish in the Federal Register a description of its central and field organization.

## SECTION 2—COMPOSITION OF COMMITTEE

(a) *Members.* The Committee consists of the seven members of the Board of Governors of the Federal Reserve System (the “Board”) and five representatives of the Federal Reserve Banks, each of whom is a president or a first vice president of a Federal Reserve Bank.

(b) *Federal Reserve Bank representatives.* The representatives of the Federal Reserve Banks, and an alternate for each representative, are elected by the boards of directors of the Federal Reserve Banks in accordance with section 12A of the Federal Reserve Act (12 USC 263) for annual terms commencing on the date of the first regularly scheduled meeting of the Committee occurring on or after January 1 of each year. Prior to the first regularly scheduled meeting of the Committee on or after January 1 of each year, each member of the Committee representing the Federal Reserve Banks shall cause a record of the member’s election and of the election of the member’s alternate to be forwarded to the secretary of the Committee. If any question is raised as to the election or eligibility of a member or alternate, the Committee determines such question before such member or alternate participates in a meeting of the Committee. In the event a member is absent from a meeting of the Committee, the member’s alternate, in attending the meeting, shall have the same status as the member for whom the alternate is serving. If a member or alternate ceases to be a president or first vice president of a Federal Reserve Bank, a successor may be chosen in a special election by the boards of directors of the appropriate Federal Reserve Bank or Banks and such successor serves until the next annual election.

(c) *Oath of office.* Each member of the Committee and each alternate take the same oath of office as that prescribed by statute to be taken by officers of the United States.

## SECTION 3—CHAIR AND VICE CHAIR

At its first regularly scheduled meeting on or after January 1 of each year, the Committee elects a Chair and a Vice Chair from among its membership. The Chair presides at all meetings of the

Committee and performs such other duties as the Committee may require. The Vice Chair performs the duties of the Chair in the absence of the Chair. In the absence of both the Chair and the Vice Chair of the Committee, the Vice Chair of the Board acts as Chair of the Committee; and, in the absence of the Chair and the Vice Chair of the Committee and the Vice Chair of the Board, the member of the Board present with the longest service as a member of the Board acts as Chair of the Committee.

## **SECTION 4—FOREIGN CURRENCY SUBCOMMITTEE**

The Foreign Currency Subcommittee (the “Subcommittee”) consists of the Chair and Vice Chair of the Committee and the Vice Chair of the Board of Governors (or another Board member designated by the Chair as an alternate if a member of the Board serving on the Subcommittee is unavailable, and the alternate of the Vice Chair of the Committee if the Vice Chair of the Committee is unavailable).

## **SECTION 5—STAFF**

(a) *Selection of staff officers.* At its first regularly scheduled meeting on or after January 1 of each year, the Committee selects, from among the officers and employees of the Board and the Federal Reserve Banks, the following staff officers to serve until the first regularly scheduled meeting on or after January 1 of the next following year: secretary, deputy secretary, and one or more assistant secretaries; general counsel, deputy general counsel, and one or more assistant general counsels; economists, one or more of whom may be designated as senior or associate economists or given titles reflecting their areas of particular specialization; and such other officers as the Committee might wish from time to time. A staff officer ceases to be an officer of the Committee if he or she ceases to be employed by the Board or by a Federal Reserve Bank or if the Committee selects a successor to that staff officer.

(b) *Secretary and deputy and assistant secretaries.* The secretary keeps minutes of actions and records of discussions at all meetings of the Committee; maintains a complete record of the actions taken by the Committee upon all questions of policy relating to open market operations; and records the votes taken in connection with the determination of open market policies and the reasons underlying each such action. The secretary has custody of such minutes and records, and performs such other duties as the Committee may require. In the absence of the secretary of the Committee, the deputy secretary or an assistant secretary acts as secretary pro tem.

(c) *Economists.* The economists prepare for the use of the Committee and present to it such information regarding business and credit conditions and domestic and international economic and financial developments as will assist the Committee in the determination of open market policies, and they perform such other duties as the Committee may require.

(d) *General counsel and deputy and assistant general counsel.* The general counsel furnishes such legal advice as the Committee may require. In the absence of the general counsel, the deputy general counsel or an assistant general counsel acts as general counsel pro tem.

(e) *Filling of vacancies.* At any meeting the Committee may fill any vacancy in the offices described in this section.

(f) *Other staff assistance.* The services of any officers and employees of the Board and the Federal Reserve Banks are made available and are utilized by the Committee as required.

## **SECTION 6—MANAGER AND DEPUTY MANAGER**

The Committee selects a manager and deputy manager of the System Open Market Account. The foregoing shall be satisfactory to the Federal Reserve Bank selected by the Committee to execute open market transactions for such account (the “Selected Bank”) and shall serve at the pleasure of the Committee. The manager keeps the Committee informed on market conditions and on transactions made for such account and renders such reports as the Committee may specify. In the absence of the manager, the deputy manager acts as manager pro tem. In the event that the president of the Selected Bank determines that the manager or deputy manager is not able to perform the duties of the position, the Chair may select a person satisfactory to such president to serve as manager or deputy manager (as relevant) until the Committee and the Selected Bank select a replacement manager or (as relevant) deputy manager in accordance with this section.

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<sup>i</sup> These are uncodified rules, for use within the Federal Reserve System.

<sup>ii</sup> See 5 USC 552(a)(1) at 8-311.