



Privacy Impact Assessment of Trading and Investment Preclearance System (TIPS)

System Owner:

Board of Governors of the Federal Reserve System's (Board) Legal Division

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Description of the IT system:

The Trading and Investment Preclearance System (TIPS) is a system to review financial information from Board members and other senior Federal Open Market Committee (FOMC) officials ("covered individuals") and their spouses and minor children to ensure compliance with the Investment and Trading Policy for FOMC Officials ("Policy")¹. TIPS includes the Advance Notice and Pre-Clearance Request Form ("Trade Request Form"), through which covered individuals will submit advance requests for pre-clearance to purchase or sell covered securities. TIPS also includes an option to submit an Individual Request for a Waiver from the Investment and Trading Policy for FOMC Officials ("Waiver Request Form"), through which covered individuals may request waivers exempting them from compliance with certain parts of the Policy.

¹ https://www.federalreserve.gov/monetarypolicy/files/FOMC_InvestmentPolicy.pdf

1. The information concerning individuals that is being collected and/or maintained:

TIPS collects and maintains the following information on covered individuals² and members of the public (spouses and minor children):

Covered Individuals

1. Name
2. Employer
3. Title
4. Financial Information

Members of the Public

1. Name³
2. Employer
3. Financial Information
4. Information in Support of a Waiver⁴

2. Source(s) of each category of information listed in item 1:

Covered individuals submit their information on the Trade Request Form or the Waiver Request Form. Covered individuals provide information on the forms on behalf of their spouses and minor children.

3. Purposes for which the information is being collected:

This information is collected to ensure the transactions of covered individuals and their spouses and minor children are in compliance with the Policy.

4. Who will have access to the information:

Access to this information is limited to authorized employees within the Federal Reserve System who have a need to access this information for official business purposes. Specifically, Federal Reserve Bank Ethics Officials can view all submitted requests for their Reserve Bank and Board Ethics Officials can view all submitted requests. Covered individuals can only view their own requests.

² Covered individuals are identified in the Policy and include, but are not limited to, Board members, Federal Reserve Bank presidents, and Federal Reserve Bank First Vice Presidents. All covered individuals are employees of the Board or a Federal Reserve Bank.

³ The name of a member of the public would only be captured in the Waiver process, not the Advanced Notice process.

⁴ This is a freeform response field where additional PII or SPII may be disclosed.

5. Whether the individuals to whom the information pertains have an opportunity to decline to provide the information or to consent to particular uses of the information (other than required or authorized uses):

Individuals may elect not to complete the process of disclosure. However, declining to provide this information may result in the individual being unable to serve in a position that is covered by the Policy.

6. Procedure(s) for ensuring that the information maintained is accurate, complete and up-to-date:

Individual submitters are responsible for ensuring the information they entered is accurate, complete, and up-to-date. Should a discrepancy be discovered by a reviewer, the individual will be given an opportunity to resubmit with corrected information.

7. The length of time the data will be retained and how will it be purged:

Consistent with the retention of other Ethics records, the retention period for TIPS records will be 6 years from the date of the final ethics determination, unless the record is required to be retained longer for legal reasons such as an investigation.

8. The administrative and technological procedures used to secure the information against unauthorized access:

The Trading and Investment Preclearance System (TIPS) tracks individual user actions within the system. The audit and accountability controls are based on NIST and Board standards which, in turn, are based on applicable laws and regulations. The controls assist in detecting security violations and performance or other issues in TIPS.

Access to TIPS is restricted to authorized users who require access for official business purposes. Users are classified into different roles and common access and usage rights are established for each role. User roles are used to delineate between the different types of access requirements such that users are restricted to data that is required in the performance of their duties.

Periodic audits and reviews are conducted to determine whether users still require access, have the appropriate role, and whether there have been any unauthorized changes in any information maintained in the TIPS.

9. Whether a new system of records under the Privacy Act will be created. (If the data are retrieved by name, unique number or other identifier assigned to an individual, then a Privacy Act system of records may be created):

TIPS is covered by an existing System of Records entitled BGFRS-41, "Ethics Program Records."

Reviewed:

/signed/

Sharon Mowry
Senior Agency Official for Privacy and
Chief Information Officer

6/17/2022

Date