



November 15, 2013

Mr. Robert deV. Frierson, Secretary
Board of Governors of the Federal Reserve System
20th Street & Constitution Avenue, N.W.
Washington, DC 20551

**RE: Proposed Agency Information Collection Activities;
Comment Request FR 2052a&b**

Dear Mr. Frierson:

Deutsche Bank AG (“Deutsche Bank”) appreciates the opportunity to provide comments to the Board of Governors of the Federal Reserve System (the “Board”) on the Board’s proposal to implement Complex Institution Liquidity Monitoring Report and Liquidity Monitoring (“FR2052a&b”).¹ The FR 2052a&b would collect detailed liquidity information from financial institutions.

We appreciate the need for the Board to collect detailed, transaction level data from large complex financial institutions and support those efforts. However, we see redundancies between this proposal and the FR 2420 proposal. We strongly suggest that the Board streamline the reporting of this data to one reporting stream that is used across its various disciplines and departments, creating a single source of data from which to compare and evaluate reporting institutions. We believe that this is essential in order to minimize regulatory burden. Although we do not dispute that the information requested is necessary or appropriate to the Board’s mandate, we believe that, in light of the numerous regulations that have been recently implemented, have been proposed, or are in the process of development, duplicative requirements should be eliminated, to the extent reasonably possible. In this way, financial institutions would be better able to devote increasingly scarce resources to satisfying the increasing regulatory requirements imposed upon them. We believe that this would be the most effective way of advancing the Board’s overall goal of ensuring financial stability.

¹ Deutsche Bank also supports the comment letters submitted by the Institute of International Bankers and the American Banker

Specifically, if the Board were to implement both FR 2052a&b and FR 2420, Foreign Banking Organizations would be required to report overlapping information to different departments within the Board using different reporting templates. This is an unnecessary duplication of effort that could easily be remedied by coordinating reporting requirements across the Board's various departments. In our view, particularly in light of the increasing regulatory burden, there is no legitimate reason why this cannot be done.

To the extent that reporting requirements can be consolidated and output shared, as we suggest, the data requested will be valuable to the Board and should also form the basis for its various examinations, greatly reducing the need for lengthy requests for information that generally precede each exam. Furthermore, sharing of common data across the Board's departments should aid in the formation of policy and in determining market actions. Therefore, there are legitimate policy reasons for consolidating these reporting requirements, as we suggest.

In addition to our comments above, we have provided answers to each of the Board's questions that were provided in the FR 2052a&b proposal below.

a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;

We understand the need for the information by the Board, but urge that requests for this information be coordinated across the Board's market and supervisory functions to avoid redundant data reporting. The Board's proposal to implement the FR 2052a&b poses a significant burden, especially to those financial institutions which are required to comply with the daily FR 2052a reports, as discussed more fully below. The reporting that will be required under the proposal is also very similar to that proposed for FR 2420. Combining the reporting of data needs from the proposed FR 2420 and FR 2052 would reduce the burden on the industry while providing consistent data to the Board to use across all of its various departments.

We do not object to the reporting, and believe the information requested is necessary for the proper performance of the Board's functions, but also believe that duplicative reporting requirements will require financial institutions to devote significant management time and attention to these reports. As we believe that this time is better spent elsewhere (and that this would indeed better advance the Board's goals), we strongly recommend that the Board adopt a reporting template that meets its needs across its market and supervisory functions. We also recommend that this data be the baseline data that is utilized by the Board during its regulatory examinations of the financial institution.

We believe that although the information requested is useful, particularly in the potential for the Board to compile and compare liquidity data from various

financial institutions on a consistent basis, we have not seen the current 3G reporting being used in this way. We recommend that the Board adopt a practice that utilizes the data in this way.

b. The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;

We estimate that an additional 6000 man hours per year to produce the required information with gains from automation reducing the effort to 2000 man hours per year.

c. Ways to enhance the quality, utility, and clarity of the information to be collected;

The Board should provide a standard template with clear and comprehensive instructions and definitions to ensure consistency across the industry.

d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology;

See the responses above.

e. Estimates of capital or start up costs and costs of operation, maintenance, and purchase of services to provide information.

In order to comply with the schedule for information collection, we would have to build a tactical report based on the template provided by the Board. This would require significant resource planning (gap analysis, testing, validation, etc.), and coordination within various control functions as well as information technology ("IT") development. This effort must be coordinated with various other regulatory reporting requirements to ensure completeness.

The costs for building out this reporting is estimated to be approximately \$2.5 million for IT development, \$600,000 to run a tactical reporting solution for the first year and an ongoing \$200,000 per year for staff cost once automation is complete. These costs are incremental to those that will be incurred should FR 2420 reporting be implemented as proposed.

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We encourage the Board to examine its broad reporting requirements with the goal of streamlining and coordinating its data collection processes in order to minimize the regulatory burden. This will free up resources that can be better utilized in meeting the various regulatory requirements that will be fully implemented in the near future.

Sincerely,



Joseph J. Rice
Managing Director and
Deutsche Bank Americas Regional Treasurer

Cc: Daniel Mucia
Maria Velazquez
Stephanie Tolischus