



FOMC

Federal Open Market Committee Rules and Authorizations

January 2025

FEDERAL RESERVE SYSTEM

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Statement on Longer-Run Goals and Monetary Policy Strategy

Adopted effective January 24, 2012; as reaffirmed effective January 30, 2024

The Federal Open Market Committee (FOMC) is firmly committed to fulfilling its statutory mandate from the Congress of promoting maximum employment, stable prices, and moderate long-term interest rates. The Committee seeks to explain its monetary policy decisions to the public as clearly as possible. Such clarity facilitates well-informed decisionmaking by households and businesses, reduces economic and financial uncertainty, increases the effectiveness of monetary policy, and enhances transparency and accountability, which are essential in a democratic society.

Employment, inflation, and long-term interest rates fluctuate over time in response to economic and financial disturbances. Monetary policy plays an important role in stabilizing the economy in response to these disturbances. The Committee's primary means of adjusting the stance of monetary policy is through changes in the target range for the federal funds rate. The Committee judges that the level of the federal funds rate consistent with maximum employment and price stability over the longer run has declined relative to its historical average. Therefore, the federal funds rate is likely to be constrained by its effective lower bound more frequently than in the past. Owing in part to the proximity of interest rates to the effective lower bound, the Committee judges that downward risks to employment and inflation have increased. The Committee is prepared to use its full range of tools to achieve its maximum employment and price stability goals.

The maximum level of employment is a broad-based and inclusive goal that is not directly measurable and changes over time owing largely to nonmonetary factors that affect the structure and dynamics of the labor market. Consequently, it would not be appropriate to specify a fixed goal for employment; rather, the Committee's policy decisions must be informed by assessments of the shortfalls of employment from its maximum level, recognizing that such assessments are necessarily uncertain and subject to revision. The Committee considers a wide range of indicators in making these assessments.

The inflation rate over the longer run is primarily determined by monetary policy, and hence the Committee has the ability to specify a longer-run goal for inflation. The Committee reaffirms its judgment that inflation at the rate of 2 percent, as measured by the annual change in the price index for personal consumption expenditures, is most consistent over the longer run with the Federal Reserve's statutory mandate. The Committee judges that longer-term inflation expectations that are well anchored at 2 percent foster price stability and moderate long-term interest rates and enhance the Committee's ability to promote maximum employment in the face of significant economic

disturbances. In order to anchor longer-term inflation expectations at this level, the Committee seeks to achieve inflation that averages 2 percent over time, and therefore judges that, following periods when inflation has been running persistently below 2 percent, appropriate monetary policy will likely aim to achieve inflation moderately above 2 percent for some time.

Monetary policy actions tend to influence economic activity, employment, and prices with a lag. In setting monetary policy, the Committee seeks over time to mitigate shortfalls of employment from the Committee's assessment of its maximum level and deviations of inflation from its longer-run goal. Moreover, sustainably achieving maximum employment and price stability depends on a stable financial system. Therefore, the Committee's policy decisions reflect its longer-run goals, its medium-term outlook, and its assessments of the balance of risks, including risks to the financial system that could impede the attainment of the Committee's goals.

The Committee's employment and inflation objectives are generally complementary. However, under circumstances in which the Committee judges that the objectives are not complementary, it takes into account the employment shortfalls and inflation deviations and the potentially different time horizons over which employment and inflation are projected to return to levels judged consistent with its mandate.

The Committee intends to review these principles and to make adjustments as appropriate at its annual organizational meeting each January, and to undertake roughly every 5 years a thorough public review of its monetary policy strategy, tools, and communication practices.

Federal Open Market Committee—Rules of Organization

As amended effective September 20, 2016

SECTION 1—AUTHORITY

The rulesⁱ are issued by the Federal Open Market Committee (the “Committee”) pursuant to the requirement of section 552 of title 5 of the United States Codeⁱⁱ 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.

ⁱ These are uncodified rules, for use within the Federal Reserve System.

ⁱⁱ See 5 USC 552(a)(1) at 8-311.

Federal Open Market Committee—Rules of Procedure

12 CFR 272; as amended effective February 26, 2021

SECTION 272.1—AUTHORITY

This partⁱ is issued by the Federal Open Market Committee (the “Committee”) pursuant to the requirement of section 552 of title 5 of the United States Code that every agency shall publish in the Federal Register its rules of procedure.

SECTION 272.2—FUNCTIONS OF THE COMMITTEE

The procedures followed by the Committee are designed to facilitate the effective performance of the Committee’s statutory functions with respect to the regulation and direction of open market operations conducted by the Federal Reserve Banks and with respect to certain direct transactions between the Federal Reserve Banks and the United States. In determining the policies to be followed in such operations, the Committee considers information regarding business and credit conditions and domestic and international economic and financial developments, and other pertinent information gathered and submitted by its staff and the staffs of the Board of Governors of the Federal Reserve System (the “Board”) and the Federal Reserve Banks. Against the background of such information, the Committee takes actions from time to time to regulate and direct the open market operations of the Federal Reserve Banks. Such policy actions ordinarily are taken through the adoption and transmission to the Federal Reserve Banks of regulations, authorizations, and directives.

SECTION 272.3—MEETINGS

(a) *Place and frequency.* The Committee meets in Washington, D.C., at least four times each year and oftener if deemed necessary. Meetings are held upon the call of the Chair of the Board or at the request of any three members of the Committee. Notices of calls by the Chair of the Board to other members are given by the secretary of the Committee in writing, by telephone, or electronic means. Requests of any three members for the calling of a meeting shall state the time therefore and shall be filed in writing, by telephone, or electronic means with the secretary who shall forthwith notify all members of the Committee in writing, by telephone, or electronic means. When the secretary has sent notices to all members of the Committee that a meeting has been requested by three members and of the time therefore, a meeting is deemed to have been called. If, in the judgment of the Chair, circumstances require that a meeting be called at such short notice that one or more members cannot be present in person, such members may participate in the meeting by telephone conference arrangements or by electronic means.

(b) *Alternates.* Whenever any member of the Committee representing Federal Reserve Banks shall find that the member will be unable to attend a meeting of the Committee, the member shall promptly notify the member's alternate and the secretary of the Committee in writing, by telephone, or electronic means, and upon receipt of such notice such alternate shall advise the secretary whether the alternate will attend such meeting.

(c) *Quorum.* Seven members, at least one of whom represents a Federal Reserve Bank, constitute a quorum of the Committee for purposes of transacting business except that, if there are fewer than seven members in office, then the number of members in office constitute a quorum. For purposes of this paragraph (c), members of the Committee include alternates acting in the absence of members. Less than a quorum may adjourn a meeting of the Committee from time to time until a quorum is in attendance.

(d) *Attendance at meetings.* Attendance at Committee meetings is restricted to members and alternate members of the Committee, the presidents of Federal Reserve Banks who are not at the time members or alternates, staff officers of the Committee, the manager, and such other advisers as the Committee may invite from time to time.

(e) *Meeting agendas.* The secretary, in consultation with the Chair, prepares an agenda of matters to be discussed at each regularly scheduled meeting and the secretary transmits the agenda to the members of the Committee within a reasonable time in advance of such meeting. In general, the agendas include reports by the manager on open market operations since the previous meeting, and ratification by the Committee of such operations; reports by economists on, and Committee discussion of, the economic and financial situation and outlook; Committee discussion of monetary policy and action with respect thereto; and such other matters as may be considered necessary.

(f) *Foreign Currency Subcommittee.* Meetings of the Foreign Currency Subcommittee (the "Subcommittee") shall be called at the request of any Subcommittee member, or at the request of the manager. At the request of any member of the Subcommittee, questions arising from a matter before the Subcommittee shall be referred for determination to the Committee.

SECTION 272.4—COMMITTEE ACTIONS

(a) *Actions at meetings.* Actions are taken at meetings of the Committee except as described below.

(b) *Policy actions between meetings.* Special circumstances may make it desirable in the public interest for Committee members to consider an action to modify an outstanding Committee authorization or directive at a time when it is not feasible to call a meeting. Whenever, in the judgment of the Chair, such circumstances have arisen, the relevant information and recommendations for action are transmitted to the members by the secretary, and the members

communicate their votes to the secretary. If the action is approved by a majority of the members, advice to that effect is promptly given by the secretary to the members of the Committee and to the Federal Reserve Bank selected to execute transactions for the System Open Market Account. All communications of recommended actions and votes under this paragraph shall be in writing, by telephone, or electronic means; if the communication is made orally, the secretary shall cause a written record to be made without delay. An action taken between meetings has the force and effect of an action at a meeting; provided, however, that if a meeting is held before the execution of any operations pursuant to the action, the action is null and void unless it is ratified and confirmed by the Committee at such meeting.

(c) *Other actions between meetings.* Circumstances may make it desirable in the public interest for Committee members to consider other actions, such as approval of the minutes, between meetings. In these circumstances, the relevant information and recommendations for such action are transmitted to the members by the secretary, and the members communicate their votes to the secretary. All communications of recommended actions and votes under this paragraph shall be in writing, by telephone, or electronic means; if the communication is made orally, the secretary shall cause a written record to be made without delay.

(d) *Delegations of authority.* In special circumstances, the Committee may delegate authority to take an action, subject to such instructions or guidelines as the Committee deems proper. Such delegations of authority may be made to the Chair; to a subcommittee consisting of the Chair and the Vice Chair of the Committee and the Vice Chair of the Board (or in the absence of the Chair or of the Vice Chair of the Board the members of the Board designated by the Chair as alternates, and in the absence of the Vice Chair of the Committee the alternate for the Vice Chair); or to any other member or members of the Committee. An action taken pursuant to such a delegation of authority has the force and effect of an action taken by the Committee.

(e) *Technical changes to Committee rules.* The secretary of the Committee (or the acting secretary) is authorized to make technical corrections, such as spelling, grammar, construction, and organization (including removal of obsolete provisions and references), to the Committee's rules, regulations, and orders and other records of Committee action but only with the concurrence of the Committee's general counsel.

(f) *Effective date.* Committee action ordinarily is made effective as of the time it is taken because the nature of the subject matter and the action taken is such that the public interest and the proper discharge of the Committee's responsibilities so require. Occasionally, however, the Committee may specify that an action is to be effective at some different time.

SECTION 272.5—NOTICE AND PUBLIC PROCEDURE

There ordinarily is no published notice of proposed action by the Committee or public procedure thereon, as described in section 553 of title 5 of the United States Code, because such notice and procedure are impracticable, unnecessary, or contrary to the public interest.

ⁱ The words “this part,” as used herein, means Rules of Procedure of the FOMC (Code of Federal Regulations, title 12, chapter II, part 272).

Open Market Operations of Federal Reserve Banks

12 CFR 270; as amended effective March 28, 1983

SECTION 270.1—AUTHORITY

This partⁱ is issued by the Federal Open Market Committee (the “Committee”) pursuant to authority conferred upon it by sections 12A and 14 of the Federal Reserve Act (12 USC 263, 355)ⁱⁱ.

SECTION 270.2—DEFINITIONS

- (a) The term “obligations” means government securities, U.S. agency securities, banker’s acceptances, bills of exchange, cable transfers, bonds, notes, warrants, debentures, and other obligations that Federal Reserve Banks are authorized by law to purchase and sell.
- (b) The term “government securities” means direct obligations of the United States (i.e., U.S. bonds, notes, certificates of indebtedness, and Treasury bills) and obligations fully guaranteed as to principal and interest by the United States.
- (c) The term “U.S. agency securities” means obligations that are direct obligations of, or are fully guaranteed as to principal and interest by, any agency of the United States.
- (d) The term “System Open Market Account” means the obligations acquired pursuant to authorizations and directives issued by the Committee and held on behalf of all Federal Reserve Banks.

SECTION 270.3—GOVERNING PRINCIPLES

As required by section 12A of the Federal Reserve Act, the time, character, and volume of all purchases and sales of obligations in the open market by Federal Reserve Banks are governed with a view to accommodating commerce and business and with regard to their bearing upon the general credit situation of the country.

SECTION 270.4—TRANSACTIONS IN OBLIGATIONS

- (a) Each Federal Reserve Bank shall engage in open market operations under section 14 of the Federal Reserve Act only in accordance with this part and with the authorizations and directives issued by the Committee from time to time, and no Federal Reserve Bank shall decline to engage in open market operations as directed by the Committee.

(b) Transactions for the System Open Market Account shall be executed by a Federal Reserve Bank selected by the Committee. The participations of the several Federal Reserve Banks in such account and in the profits and losses on transactions for the account shall be allocated in accordance with principles determined by the Committee from time to time.

(c) In accordance with such limitations, terms, and conditions as are prescribed by law and in authorizations and directives issued by the Committee, the Federal Reserve Bank selected by the Committee is authorized and directed—

(1) To buy and sell government securities and U.S. agency securities in the open market for the System Open Market Account, and to exchange maturing securities with the issuer;

(2) To buy and sell banker's acceptances in the open market for its own account;

(3) To buy government securities, U.S. agency securities, and banker's acceptances of the kinds described above, under agreements for repurchase of such obligations, in the open market for its own account; and

(4) To buy and sell foreign currencies in the form of cable transfers in the open market for the System Open Market Account and to maintain for such account reciprocal currency arrangements with foreign banks among those designated by the Board of Governors of the Federal Reserve System under section 214.5 of this chapter [Regulation N].

(d) The Federal Reserve Banks are authorized and directed to engage in such other operations as the Committee may from time to time determine to be reasonably necessary to the effective conduct of open market operations and the effectuation of open market policies.

ⁱ The words "this part," as used herein, mean Open Market Operations of Federal Reserve Banks (Code of Federal Regulations, title 12, chapter II, part 270).

ⁱⁱ At 1-108 and 1-129.

Procedures for Allocation of Securities in the System Open Market Account

As amended effective March 28, 1995

1. Securities in the System Open Market Account shall be reallocated at least once each year as determined by the Board's Division of Reserve Bank Operations and Payment Systems and the manager of the System Open Market Account, for the purpose of settling inter-District clearings and approximately equalizing for each Federal Reserve Bank the ratio of gold certificate holdings to Federal Reserve notes outstanding.
2. Until the next reallocation, the account shall be apportioned on the basis of the ratios determined in paragraph 1.
3. Profits and losses on the sale of securities from the account shall be allocated on the day of delivery of the securities sold on the basis of each Federal Reserve Bank's current holdings at the opening of business on that day.

Guidelines for the Conduct of System Open Market Operations in Federal-Agency Issues

Temporarily suspended effective January 27, 2009

1. System open market operations in federal-agency issues are an integral part of total System open market operations designed to influence bank reserves, money market conditions, and monetary aggregates.
2. System open market operations in federal-agency issues are not designed to support individual sectors of the market or to channel funds into issues of particular agencies.

Federal Open Market Committee—Rules Regarding Availability of Information

12 CFR 271; amended effective May 10, 2021

SUBPART A—GENERAL

§ 271.1—Authority, Purpose, and Scope.

(a) *Authority and purpose.* This part establishes mechanisms for carrying out the Federal Open Market Committee's (Committee) statutory responsibilities relating to the disclosure, production, or withholding of information to facilitate the Committee's interactions with the public. In this regard, the Committee has determined that the Committee, or its delegees, may disclose exempt information of the Committee, in accordance with the procedures set forth in this part, whenever it is necessary or appropriate to do so in the exercise of any of the Committee's authorities, including but not limited to authority granted to the Committee in the Freedom of Information Act, 5 U.S.C. 552, and section 12A of the Federal Reserve Act, 12 U.S.C. 263. The Committee has determined that all such disclosures made in accordance with the rules and procedures specified in this part are authorized by law. This part also sets forth the categories of information made available to the public, the procedures for obtaining information and records, the procedures for limited release of exempt information, and the procedures for protecting confidential business information.

(b) *Scope.*

- (1) Subpart A of this part contains general provisions and definitions of terms used in this part.
- (2) Subpart B of this part implements the Freedom of Information Act (FOIA) (5 U.S.C. 552).
- (3) Subpart C of this part sets forth the procedures with respect to subpoenas, orders compelling production, and other process.

§ 271.2—Definitions.

For purposes of this part:

- (a) *Board* means the Board of Governors of the Federal Reserve System established by the Federal Reserve Act of 1913 (38 Stat. 251).
- (b) *Committee* means the Chair of the Committee or the Chair's designee.
- (c) *Exempt information* means information that is exempt from disclosure pursuant to § 271.15(a).

(d) *Federal Reserve Bank or Reserve Bank* means one of the District Banks authorized by the Federal Reserve Act, 12 U.S.C. 222, including any branch of any such bank.

(e) *Records of the Committee or Committee records* include all information coming into the possession of the Committee or any member thereof or of any officer, employee, or agent of the Committee, the Board, or any Federal Reserve Bank, in the performance of duties for, or pursuant to the direction of, the Committee. These records include rules, statements, decisions, minutes, memoranda, letters, reports, transcripts, accounts, charts, and other written material.

(f) *Search* means:

(1) A reasonable search of such records of the Committee as seem likely in the particular circumstances to contain information of the kind requested.

(2) As part of the Committee's search for responsive records, the Committee is not obligated to conduct any research, create any document, or modify an electronic program or automated information system.

(g) *Working day* means any day except Saturday, Sunday, or a legal Federal holiday.

§ 271.3—Certification of Record; Service of Subpoenas or Other Process.

(a) *Certification of record.* The secretary of the Committee may certify the authenticity of any Committee record, or any copy of such record, for any purpose, and for or before any duly constituted Federal or state court, tribunal, or agency.

(b) *Service of subpoenas or other process.* Subpoenas or other judicial or administrative process demanding access to any Committee records or making any claim against the Committee or against Committee members or staff in their official capacity shall be addressed to and served upon the Secretary of the Committee, Federal Open Market Committee, 20th Street & Constitution Avenue NW, Washington, DC 20551. The Committee does not accept service of process on behalf of any employee in respect of purely private legal disputes.

§ 271.4—Prohibition Against Disclosure.

Except as provided in this part or as otherwise authorized, no officer, employee, or agent of the Board or any Reserve Bank shall disclose or permit the disclosure of any exempt information of the Committee to any person other than Board or Reserve Bank officers, employees, or agents properly entitled to such information in the performance of duties for, or pursuant to the direction of, the Committee.

SUBPART B—PUBLISHED INFORMATION AND RECORDS AVAILABLE TO PUBLIC; PROCEDURES FOR REQUESTS

§ 271.10—Published Information.

(a) *Federal Register*. The Committee publishes, or incorporates by reference, in the Federal Register for the guidance of the public:

- (1) A description of its organization;
- (2) Statements of the general course and method by which its functions are channeled and determined, including the nature and requirements of procedures;
- (3) Rules of procedure;
- (4) Substantive rules, interpretations of general applicability, and statements of general policy formulated and adopted by the Committee;
- (5) Every amendment, revision, or repeal of the foregoing in paragraphs (a)(1) through (4) of this section; and
- (6) Other notices as required by law.

(b) *Publicly available information—*

(1) *Electronic reading room*. Information relating to the Committee, including its open market operations, is made publicly available on the websites of the Board and the Federal Reserve Banks, as well as in the Committee's electronic reading room, www.federalreserve.gov/foia/fomc/readingrooms.htm#rr1. The Committee also makes the following records available in its electronic reading room.

- (i) Final opinions, including concurring and dissenting opinions, as well as final orders and written agreements, made in the adjudication of cases.
- (ii) Statements of policy and interpretations adopted by the Committee that are not published in the Federal Register.
- (iii) Administrative staff manuals and instructions to staff that affect the public.
- (iv) Copies of all records, regardless of form or format –
 - (A) That have been released to any person under § 271.11; and
 - (B)(1) That because of the nature of their subject matter, the Committee has determined have

become or are likely to become the subject of subsequent requests for substantially the same records; or

(2) That have been requested three or more times.

(v) A general index of the records referred to in paragraph (b)(1)(iv) of this section.

(2) *Inspection in electronic format at Reserve Banks.* The Committee may determine that certain classes of publicly available filings shall be made available for inspection in electronic format only at the Reserve Bank where those records are filed.

(3) *Privacy protection.* The Committee may delete identifying details from any public record to prevent a clearly unwarranted invasion of personal privacy.

§ 271.11—Records Available to the Public Upon Request.

(a) *Procedures for requesting records.*

(1) Requesters are encouraged to submit requests electronically using the online request form located at www.federalreserve.gov/secure/forms/FOMCForm.aspx. Alternatively, requests may be submitted in writing to the Secretary of the Committee, Federal Open Market Committee, 20th Street and Constitution Avenue NW, Washington, DC 20551; or sent by facsimile to the Secretary of the Committee, (202) 452–2921. Clearly mark the request FREEDOM OF INFORMATION ACT REQUEST.

(2) A request may not be combined with any other request or FOIA appeal.

(b) *Contents of request.* A request must include:

(1) The requester's name, address, daytime telephone number, and an email address if available.

(2) A description of the records that enables the Committee to identify and produce the records with reasonable effort and without unduly burdening or significantly interfering with any of the Committee's operations. Whenever possible, the request should include specific information about each record sought, such as the date, title or name, author, recipient, and subject matter of the record.

(3) A statement agreeing to pay the applicable fees. If the information requested is not intended for a commercial use (as defined in § 271.16(d)(1)) and the requester seeks a reduction or waiver of fees because he or she is either a representative of the news media, an educational institution, or a noncommercial scientific institution, the requester should include the information called for in § 271.16(g)(2).

(c) *Perfected and defective requests.*

- (1) The Committee will consider the request to be perfected on the date the secretary of the Committee receives a request that contains all of the information required by paragraphs (b)(1) through (3) of this section.
- (2) The Committee need not accept or process a request that does not reasonably describe the records requested or that does not otherwise comply with the requirements of this section.
- (3) The Committee may return a defective request, specifying the deficiency. The requester may submit a corrected request, which will be treated as a new request.

§ 271.12—Processing Requests.

(a) Receipt of requests. Upon receipt of any request that satisfies the requirements set forth in § 271.11, the Committee shall assign the request to the appropriate processing schedule, pursuant to paragraph (b) of this section. The date of receipt for any request, including one that is addressed incorrectly or that is referred to the Committee by another agency or by a Federal Reserve Bank, is the date the secretary of the Committee actually receives the request.

(b) *Multitrack processing.*

- (1) The Committee provides different levels of processing for categories of requests under this section.
 - (i) Requests for records that are readily identifiable by the Committee and that have already been cleared for public release or can easily be cleared for public release may qualify for simple processing.
 - (ii) All other requests shall be handled under normal processing procedures, unless expedited processing has been granted pursuant to paragraph (c) of this section.
- (2) The Committee will make the determination whether a request qualifies for simple processing. A requester may contact the Committee to learn whether a particular request has been assigned to simple processing. If the request has not qualified for simple processing, the requester may limit the scope of the request in order to qualify for simple processing by contacting the Committee in writing, by letter or email, or by telephone.

(c) *Expedited processing.*

- (1) A request for expedited processing may be made at any time. A request for expedited processing must be clearly labeled “Expedited Processing Requested.” The Committee will process requests and appeals on an expedited basis whenever it is determined that they involve:

(i) Circumstances in which the lack of expedited processing could reasonably be expected to pose an imminent threat to the life or physical safety of an individual; or

(ii) An urgency to inform the public about an actual or alleged Federal Government activity, if made by a person who is primarily engaged in disseminating information.

(2) A requester who seeks expedited processing must submit a statement, certified to be true and correct, explaining in detail the basis for making the request for expedited processing. For example, under paragraph (c)(1)(ii) of this section, a requester who is not a full-time member of the news media must establish that the requester is a person whose primary professional activity or occupation is information dissemination, though it need not be the requester's sole occupation. Such a requester also must establish a particular urgency to inform the public about the Government activity involved in the request—one that extends beyond the public's right to know about Federal Government activity generally. The existence of numerous articles published on a given subject can be helpful in establishing the requirement that there be an "urgency to inform" the public on the topic. As a matter of administrative discretion, the Committee may waive the formal certification requirement.

(3) Within 10 calendar days of receipt of a request for expedited processing, the Committee will notify the requester of its decision on the request. A denial of expedited processing may be appealed to the Committee in accordance with § 271.14. The Committee will respond to the appeal within 10 working days of receipt of the appeal.

(d) *Priority of responses.* The Committee will normally process requests in the order they are received in the separate processing tracks, except when expedited processing is granted in which case the request will be processed as soon as practicable.

(e) *Time limits.* The time for response to requests shall be 20 working days from when a request is perfected. Exceptions to the 20-day time limit are only as follows:

(1) In the case of expedited treatment under paragraph (c) of this section, the Committee shall give the expedited request priority over non-expedited requests and shall process the expedited request as soon as practicable.

(2) Where the running of such time is suspended for a requester to address fee requirements pursuant to § 271.16(c)(1) or (2).

(3) In unusual circumstances, as defined in 5 U.S.C. 552(a)(6)(B), the Committee may:

(i) Extend the 20-day time limit for a period of time not to exceed 10 working days, where the Committee has provided written notice to the requester setting forth the reasons for the extension

and the date on which a determination is expected to be dispatched; and

(ii) Extend the 20-day time limit for a period of more than 10 working days where the Committee has provided the requester with an opportunity to modify the scope of the FOIA request so that it can be processed within that time frame or with an opportunity to arrange an alternative time frame for processing the original request or a modified request, and has notified the requester that the Committee's FOIA Public Liaison is available to assist the requester for purposes of this paragraph (e)(3)(ii) and in the resolution of any disputes between the requester and the Committee, and of the requester's right to seek dispute resolution services from the Office of Government Information Services.

§ 271.13—Responses to Requests.

(a) When the Committee receives a perfected request, it will conduct a reasonable search of Committee records in its possession on the date the Committee's search begins and will review any responsive information it locates.

(b) If a request covers documents that were created by, obtained from, or classified by another agency, the Committee may refer the request for such documents to that agency for a response and inform the requester promptly of the referral. To the extent there is confidential supervisory information, as that term is defined by 12 CFR 261.2(b), contained within Committee records, disclosure of such information will be handled in consultation with the Board.

(c) In responding to a request, the Committee will withhold information under this section only if –

- (1) The Committee reasonably foresees that disclosure would harm an interest protected by an exemption described in § 271.15(a); or
- (2) Disclosure is prohibited by law.

(d) The Committee will take reasonable steps necessary to segregate and release nonexempt information.

(e) The Committee shall notify the requester of:

- (1) The Committee's determination of the request;
- (2) The reasons for the determination;
- (3) An estimate of the amount of information withheld, if any. An estimate is not required if the amount of information is otherwise indicated by deletions marked on records that are disclosed in part or if providing an estimate would harm an interest protected by an applicable exemption;

- (4) The right of the requester to seek assistance from the Committee's FOIA Public Liaison; and
- (5) When an adverse determination is made, the Committee will advise the requester in writing of that determination and will further advise the requester of:
 - (i) The right of the requester to appeal any adverse determination within 90 calendar days after the date of the determination, as specified in § 271.14;
 - (ii) The right of the requester to seek dispute resolution services from the Committee's FOIA Public Liaison or from the Office of Government Information Services; and
 - (iii) The name and title or position of the person responsible for the adverse determination.
- (f) Adverse determinations, or denials of requests, include decisions that the requested record is exempt, in whole or in part; the request does not reasonably describe the records sought; the information requested is not a record subject to the FOIA; the requested record does not exist, cannot be located, or has been destroyed; or the requested record is not readily reproducible in the form or format sought by the requester. Adverse determinations also include denials involving fees or fee waiver matters or denials of requests for expedited treatment.
- (g) The Committee will normally send responsive, nonexempt documents to the requester by email but may use other means as arranged between the Committee and the requester or as determined by the Committee. The Committee will attempt to provide records in the format requested by the requester.

§ 271.14—Appeals.

- (a) If the Committee makes an adverse determination as defined in § 271.13(f), the requester may file a written appeal with the Committee, as follows:
 - (1) The appeal should prominently display the phrase FREEDOM OF INFORMATION ACT APPEAL on the first page, and can be submitted online at www.federalreserve.gov/foia/fomc/appeals.htm or, if sent by mail, addressed to the Secretary of the Committee, Federal Open Market Committee, 20th Street and Constitution Avenue NW, Washington, DC 20551; or sent by facsimile to the Secretary of the Committee, (202) 452-2921. If the requester is appealing the denial of expedited treatment, the appeal should clearly be labeled "Appeal for Expedited Processing."
 - (2) A request for records under § 271.11 may not be combined in the same letter with an appeal.
 - (3) To be considered timely, an appeal must be postmarked, or in the case of electronic submissions, transmitted, within 90 calendar days after the date of the adverse determination.
- (b) Except as provided in § 271.12(c)(3), the Committee shall make a determination regarding any

appeal within 20 working days of actual receipt of the appeal by the Committee. If an adverse determination is upheld on appeal, in whole or in part, the determination letter shall notify the appealing party of the right to seek judicial review and of the availability of dispute resolution services from the Office of Government Information Services as a non-exclusive alternative to litigation.

(c) The Committee may reconsider an adverse determination, including one on appeal, if intervening circumstances or additional facts not known at the time of the adverse determination come to the attention of the Committee.

§ 271.15—Exemptions from Disclosure.

(a) *Types of records exempt from disclosure.* Pursuant to 5 U.S.C. 552(b), the following records of the Committee are exempt from disclosure under this part.

(1) Any information that is specifically authorized under criteria established by an Executive order to be kept secret in the interest of national defense or foreign policy and is in fact properly classified pursuant to the Executive order.

(2) Any information related solely to the internal personnel rules and practices of the Committee.

(3) Any information specifically exempted from disclosure by statute to the extent required by 5 U.S.C. 552(b)(3).

(4) Any matter that is a trade secret or that constitutes commercial or financial information obtained from a person and that is privileged or confidential.

(5) Inter- or intra-agency memorandums or letters that would not be available by law to a party other than an agency in litigation with the Committee, provided that the deliberative process privilege shall not apply to records that were created 25 years or more before the date on which the records were requested.

(6) Any information contained in personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy.

(7) Any records or information compiled for law enforcement purposes, to the extent permitted under 5 U.S.C. 552(b)(7).

(8) Any matter that is contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of an agency responsible for the regulation or supervision of financial institutions, including a state financial institution supervisory agency.

(b) *Release of exempt information.*

- (1) Except where disclosure is expressly prohibited by statute, regulation, or order, the Committee may release records that are exempt from mandatory disclosure whenever the Committee determines that such disclosure would be in the public interest.
 - (2) The fact that the Committee has determined to release particular exempt information does not waive the Committee's ability to withhold similar exempt information in response to the same or a different request.
- (c) *Delayed release.* Except as required by law, publication in the Federal Register or availability to the public of certain information may be delayed if immediate disclosure would likely:
- (1) Interfere with accomplishing the objectives of the Committee in the discharge of its statutory functions;
 - (2) Interfere with the orderly conduct of the foreign affairs of the United States;
 - (3) Permit speculators or others to gain unfair profits or other unfair advantages by speculative trading in securities or otherwise;
 - (4) Result in unnecessary or unwarranted disturbances in the securities markets;
 - (5) Interfere with the orderly execution of the objectives or policies of other Government agencies;
- or
- (6) Impair the ability to negotiate any contract or otherwise harm the commercial or financial interest of the United States, the Committee, any Federal Reserve Bank, or any department or agency of the United States.

§ 271.16—Fee Schedules; Waiver of Fees.

(a) *Fee schedules.* Consistent with the limitations set forth in 5 U.S.C. 552(a)(4)(A)(viii), the fees applicable to a request for records pursuant to § 271.11 are set forth in Table 1 to this section. These fees cover only the full allowable direct costs of search, duplication, and review. No fees will be charged where the average cost of collecting the fee (calculated at \$5.00) exceeds the amount of the fee.

(b) *For purposes of computing fees.*

- (1) Search time includes all time spent looking for material that is responsive to a request, including line-by-line identification of material within documents. Such activity is distinct from “review” of material to determine whether the material is exempt from disclosure.
- (2) Direct costs mean those expenditures that the Committee actually incurs in searching for,

reviewing, and duplicating records in response to a request made under § 271.11, as shown in table 1 to this section.

(3) Duplication refers to the process of making a copy, in any format, of a document.

(4) Review refers to the process of examining documents that have been located as being potentially responsive to a request for records to determine whether any portion of a document is exempt from disclosure. It includes doing all that is necessary to prepare the documents for release, including the redaction of exempt information. It does not include time spent resolving general legal or policy issues regarding the application of exemptions.

(c) *Payment procedures.* The Committee may assume that a person requesting records pursuant to § 271.11 will pay the applicable fees, unless the request includes a limitation on fees to be paid or seeks a waiver or reduction of fees pursuant to paragraph (g) of this section.

(1) *Advance notification of fees.* If the estimated charges are likely to exceed the amount authorized by the requester, the secretary of the Committee shall notify the requester of the estimated amount. Upon receipt of such notice, the requester may confer with the secretary of the Committee to reformulate the request to lower the costs or may authorize a higher amount. The time period for responding to requests under § 271.12(e) and the processing of the request will be suspended until the requester agrees in writing to pay the applicable fees.

(2) *Advance payment.* The Committee may require advance payment of any fee estimated to exceed \$250. The Committee may also require full payment in advance where a requester has previously failed to pay a fee in a timely fashion. The time period for responding to a request under § 271.12(e), and the processing of the request shall be suspended until the Committee receives the required payment.

(3) *Late charges.* The Committee may assess interest charges when fee payment is not made within 30 days of the date on which the billing was sent. Interest is at the rate prescribed in 31 U.S.C. 3717 and accrues from the date of the billing.

(d) *Categories of uses.* The fees assessed depend upon the intended use for the records requested. In determining which category is appropriate, the Committee will look to the intended use set forth in the request for records. Where a requester's description of the use is insufficient to make a determination, the Committee may seek additional clarification before categorizing the request.

(1) A commercial use requester is one who requests records for a use or purpose that furthers the commercial, trade, or profit interests of the requester or the person on whose behalf the request is made, which can include furthering those interests through litigation.

(2) Representative of the news media is any person or entity that gathers information of potential interest to a segment of the public, uses its editorial skills to turn the raw materials into a distinct work, and distributes that work to an audience, including organizations that disseminate solely on the Internet. The term “news” means information that is about current events or that would be of current interest to the public. A non-affiliated journalist who demonstrates a solid basis for expecting publication through a news media entity, such as a publishing contract or past publication record, will be considered as a representative of the news media.

(3) Educational institution is any school that operates a program of scholarly research. A requester in this fee category must show that the request is made in connection with his or her role at the educational institution. The Committee may seek verification from the requester that the request is in furtherance of scholarly research.

(4) Noncommercial scientific institution is an institution that is not operated on a “commercial” basis, as defined in paragraph (d)(1) of this section, and that is operated solely for the purpose of conducting scientific research the results of which are not intended to promote any particular product or industry. A requester in this category must show that the request is authorized by and is made under the auspices of a qualifying institution and that the records are sought to further scientific research and are not for a commercial use.

(5) All other requesters refers to those requesters who do not fall within any of the categories described in paragraphs (d)(1) through (4) of this section.

(6) Please refer to table 1 to this section to determine what fees apply for different categories of users.

(e) *Nonproductive search.* Fees for search and review may be charged even if no responsive documents are located or if the request is denied.

(f) *Aggregated requests.* A requester may not file multiple requests at the same time, solely in order to avoid payment of fees. If the Committee reasonably believes that a requester is separating a single request into a series of requests for the purpose of evading the assessment of fees, the Committee may aggregate any such requests and charge accordingly. It is considered reasonable for the Committee to presume that multiple requests of this type made within a 30-day period have been made to avoid fees. Multiple requests involving unrelated matters cannot be aggregated.

(g) *Waiver or reduction of fees.* A request for a waiver or reduction of the fees, and the justification for the waiver, shall be included with the request for records to which it pertains. If a waiver is requested and the requester has not indicated in writing an agreement to pay the applicable fees if the waiver request is denied, the time for response to the request for documents, as set forth in § 271.12(e),

shall not begin until either a waiver has been granted or, if the waiver is denied, until the requester has agreed to pay the applicable fees.

(1) The Committee shall grant a waiver or reduction of fees where it is determined both that disclosure of the information is in the public interest because it is likely to contribute significantly to public understanding of the operation or activities of the government, and that the disclosure of information is not primarily in the commercial interest of the requester. In making this determination, the Committee will consider the following factors:

(i) Whether the subject of the records would shed light on identifiable operations or activities of the government with a connection that is direct and clear, not remote or attenuated; and

(ii) Whether disclosure of the information is likely to contribute significantly to public understanding of those operations or activities. This factor is satisfied when the following criteria are met:

(A) Disclosure of the requested records must be meaningfully informative about government operations or activities. The disclosure of information that already is in the public domain, in either the same or a substantially identical form, would not be meaningfully informative if nothing new would be added to the public's understanding.

(B) The disclosure must contribute to the understanding of a reasonably broad audience of persons interested in the subject, as opposed to the individual understanding of the requester. A requester's expertise in the subject area as well as the requester's ability and intention to effectively convey information to the public must be considered. The Committee will presume that a representative of the news media will satisfy this consideration.

(iii) The disclosure must not be primarily in the commercial interest of the requester. A commercial interest includes any commercial, trade, profit, or litigation interest.

(2) A request for a waiver or reduction of fees shall include:

(i) A clear statement of the requester's interest in the documents;

(ii) The use proposed for the documents and whether the requester will derive income or other benefit for such use;

(iii) A statement of how the public will benefit from such use and from the Committee's release of the documents;

(iv) A description of the method by which the information will be disseminated to the public; and

(v) If specialized use of the information is contemplated, a statement of the requester's

qualifications that are relevant to that use.

(3) The requester has the burden to present evidence or information in support of a request for a waiver or reduction of fees.

(4) The Committee shall notify the requester of its determination on the request for a waiver or reduction of fees. The requester may appeal a denial in accordance with § 271.14(a).

(5) Where only some of the records to be released satisfy the requirements for a waiver of fees, a waiver must be granted for those records.

(6) A request for a waiver or reduction of fees should be made when the request for records is first submitted to the Committee and should address the criteria referenced in paragraphs (g)(1) through (5) of this section. A requester may submit a fee waiver request at a later time so long as the underlying record request is pending or on administrative appeal. When a requester who has committed to pay fees subsequently asks for a waiver of those fees and that waiver is denied, the requester must pay any costs incurred up to the date the fee waiver request was received.

(h) *Restrictions on charging fees.*

(1) If the Committee fails to comply with the FOIA's time limits in which to respond to a request, the Committee may not charge search fees, or, in the instances of requests from requesters described in paragraphs (d)(2) through (4) of this section, will not charge duplication fees, except as permitted under paragraphs (h)(2) through (4) of this section.

(2) If the Committee has determined that unusual circumstances exist, as described in 5 U.S.C. 552(a)(6)(B), and has provided timely written notice to the requester and subsequently responds within the additional 10 working days provided in § 271.12(e)(3), the Committee may charge search fees, or in the case of requesters described in paragraphs (d)(2) through (4) of this section, may charge duplication fees.

(3) If the Committee has determined that unusual circumstances exist, as described in 5 U.S.C. 552(a)(6)(B), and more than 5,000 pages are necessary to respond to the request, the Committee may charge search fees, or, in the case of requesters described in paragraphs (d)(2) through (4) of this section, may charge duplication fees, if the Committee has:

(i) Provided timely written notice of unusual circumstances to the requester in accordance with the FOIA; and

(ii) Discussed with the requester via written mail, e-mail, or telephone (or made not less than three good-faith attempts to do so) how the requester could effectively limit the scope of the request in accordance with 5 U.S.C. 552(a)(6)(B)(ii).

(4) If a court has determined that exceptional circumstances exist, as defined by the FOIA, a failure to comply with the time limits shall be excused for the length of time provided by the court order.

(i) *Employee requests.* In connection with any request by an employee, former employee, or applicant for employment, for records for use in prosecuting a grievance or complaint of discrimination against the Committee, fees shall be waived where the total charges (including charges for information provided under the Privacy Act of 1974 (5 U.S.C. 552a)) are \$50 or less; but the Committee may waive fees in excess of that amount.

(j) *Special services.* The Committee may agree to provide, and set fees to recover the costs of, special services not covered by the FOIA, such as certifying records or information and sending records by special methods such as express mail or overnight delivery.

Table 1 to § 271.16 - Fees

Type of requester	Search costs per hour		Review costs per hour		Duplication costs	
Commercial	Clerical/Technical staff	\$20	Clerical/Technical staff	\$20	Photocopy per standard page	.10
	Professional/Supervisory staff	\$40	Professional/Supervisory staff	\$40		
	Manager/Senior professional staff	\$65	Manager/Senior professional staff	\$65	Other types of duplication	Direct Costs
	Computer search, including computer search time, output, operator's salary	Direct Costs				
Educational; or Non-commercial scientific; or News media	Costs waived		Costs waived		First 100 pages <i>free</i> , then: Photocopy per standard page	.10 Direct Costs
All other requesters	First 2 hours <i>free</i> , then:		Costs waived		First 100 pages <i>free</i> , then:	
	Clerical/Technical staff	\$20			Photocopy per standard page	.10
	Professional/Supervisory staff	\$40			Other types of duplication	Direct Costs
	Manager/Senior professional staff	\$65				
	Computer search, including computer search time, output, operator's salary	Direct Costs				

SUBPART C—SUBPOENAS, ORDERS COMPELLING PRODUCTION, AND OTHER PROCESS

§ 271.20—Subpoenas, Orders Compelling Production, and Other Process.

(a) *Advice by person served.* Any person, whether or not an officer or employee of the Committee, of the Board, or of a Federal Reserve Bank, who is served with a subpoena, order, or other judicial or administrative process requiring the production of exempt information of the Committee or requiring the person's testimony regarding such Committee information in any proceeding, shall:

- (1) Promptly inform the Committee's General Counsel of the service and all relevant facts, including the documents, information, or testimony demanded, and any facts relevant to the Committee in determining whether the material requested should be made available;
- (2) Inform the entity issuing the process of the substance of this part; and
- (3) At the appropriate time, inform the court or tribunal that issued the process of the substance of this part.

(b) *Appearance by person served.* Unless authorized by the Committee or as ordered by a Federal court in a judicial proceeding in which the Committee has had the opportunity to appear and oppose discovery, any person who is required to respond to a subpoena or other legal process concerning exempt Committee information shall attend at the time and place required and respectfully decline to disclose or to give any testimony with respect to the information, basing such refusal upon the provisions of this part. If the court or other body orders the disclosure of the information or the giving of testimony, the person having the information shall continue to decline to disclose such information and shall promptly report the facts to the Committee for such action as the Committee may deem appropriate.

FOMC Policy on External Communications of Committee Participants¹

Adopted effective June 22, 2011; as reaffirmed effective January 28, 2025

PREAMBLE

The Federal Open Market Committee (the “Committee”) is committed to providing clear and timely information to the public about the Committee’s monetary policy actions and the rationale for those decisions. Indeed, considerable evidence indicates that central bank transparency increases the effectiveness of monetary policy and enables households and businesses to make better-informed decisions.

Two-way communication with the public is a crucial element in the Committee’s monetary policy process. Committee participants have regular contacts with members of the public as part of the process of gathering the information the Committee needs to understand current economic and financial conditions. In addition, the Committee’s public accountability is strengthened by open discussion of Committee participants’ views about the economic outlook as well as their judgments about the appropriate course of monetary policy.

Therefore, to reinforce the public’s confidence in the transparency and integrity of the monetary policy process, the Committee has established the following principles to govern Committee participants’ contacts with members of the public. The Committee itself maintains responsibility for ensuring that all Committee participants—that is, the members of the Federal Reserve Board and the presidents of the Federal Reserve Banks—abide by these principles.²

GENERAL PRINCIPLES

1. Committee participants will endeavor to enhance the public’s understanding of monetary policy. They are free to explain their individual views but are expected to do so in a spirit of collegiality and to refrain from characterizing the views of other individuals on the Committee. In explaining the rationale for announced Committee decisions, participants will draw on Committee communications and the Chair’s press conference remarks as appropriate.

¹ “Committee participants” includes the Committee members and non-voting presidents of the Federal Reserve Banks. The Committee’s policy governing the external communications of Federal Reserve System staff is set forth in a separate document.

² This policy is fully consistent with and complements the more general policies for ethical conduct published in the *Federal Reserve Administrative Manual* (“FRAM”) section 2-026.1 (“Ethics—Voluntary Guide to Conduct for Senior Officials”). That section recognizes the overarching principle that senior Federal Reserve officials “have a special responsibility for maintaining the integrity, dignity, and reputation of the System” and “should scrupulously avoid conduct that might in any way tend to embarrass the System or impair the effectiveness of its operations.” The policy in this document focuses specifically on external communications and is binding on all Committee participants.

2. To foster the ongoing frank exchange of views at Committee meetings, Committee participants will refrain, in any communications with members of the public, from characterizing such discussions beyond what has been published in the minutes of each Committee meeting.
3. To protect the independence of the Committee's decision-making process from short-term political pressures, participants will strive to avoid any appearance of political partisanship and will be prudent in selecting venues for their speaking engagements.
4. Committee participants will carefully safeguard all confidential information.³ No confidential FOMC information may be released except pursuant to Committee instructions or with written authorization from the Chair and prompt notification to the Committee.
5. To the fullest extent possible, Committee participants will refrain from describing their personal views about monetary policy in any meeting or conversation with any individual, firm, or organization who could profit financially from acquiring that information unless those views have already been expressed in their public communications.
6. Committee participants will strive to ensure that their contacts with members of the public do not provide any profit-making person or organization with a prestige advantage over its competitors. They will consider this principle carefully and rigorously in scheduling meetings with anyone who might benefit financially from apparently exclusive contacts with Federal Reserve officials and in considering invitations to speak at meetings that are sponsored by profit-making organizations or that are closed to the public and the media.
7. To facilitate the effectiveness of the Committee's policy deliberations and the clarity of its communications, participants will observe a blackout period on monetary policy communications in conjunction with each regularly scheduled Committee meeting. The blackout period will begin at 12:00 a.m. Eastern Time the second Saturday before a meeting and end at 11:59 p.m. Eastern Time the day after a meeting. For example, if the Committee meeting starts on a Tuesday, the blackout period will begin at the start of the Saturday that falls ten days earlier, and if the meeting ends on a Wednesday, the blackout period will end at the end of Thursday.⁴ During each blackout period, participants refrain from expressing their views about macroeconomic developments or monetary policy issues in meetings or conversations with members of the public.

³ The Committee's regulations concerning the designation and handling of confidential FOMC information are set forth in a separate document, "*Program for Security of FOMC Information*," available at https://www.federalreserve.gov/monetarypolicy/files/FOMC_InformationSecurityProgram.pdf.

⁴ In the event that the second Friday before the meeting is a federal holiday, the blackout period will begin at 12:00 a.m. Eastern Time of that Friday.

PRACTICAL EXAMPLES

To assist Committee participants in understanding the application of these principles, the Committee has considered how the principles should be applied to some common requests for public contact. For example, the following contacts would generally be consistent with the Committee's policy on external communications, as long as the participant carefully adheres to all of the principles listed above during the contact itself:

1. A speech on a monetary policy topic at a widely-attended event with press in attendance, where the event is organized by a non-profit entity and does not involve fundraising. Such a speech might be given at an academic institution, a conference sponsored by a non-profit organization, or a meeting sponsored by a civic or trade association (such as a chamber of commerce or a state or national bankers' association).
2. An interview with the press regarding the participant's personal views on monetary policy issues.
3. A private meeting with members of the public—such as bankers, community representatives, industry representatives, or labor representatives—to collect information about the economy without divulging any information about the participant's personal views on monetary policy unless those views have already been expressed in their public communications. Whenever practical, a public information officer or other Federal Reserve staff should be present at such a meeting.

In contrast, the following contacts would not be consistent with the principles set out above:

1. Disclosure in any setting of confidential FOMC information.
2. Disclosure or characterization in any setting of the views that others expressed at a Committee meeting.
3. A prediction about Committee action in advance of the Committee announcement of its decision.
4. A private meeting with selected clients of a profit-making entity to discuss monetary policy.

Of course, the foregoing examples are not intended to serve as an exhaustive list, and hence good judgment will be essential in applying these principles.

FOMC Policy on External Communications of Federal Reserve System Staff

Adopted effective June 22, 2011; as reaffirmed effective January 28, 2025

PREAMBLE¹

In the course of making monetary policy decisions, the Federal Open Market Committee (the “Committee”) makes extensive use of background materials prepared by the staff of the Federal Reserve System, and senior staff give regular briefings at Committee meetings. In addition, staff are directly involved in the implementation and communication of the Committee’s policy decisions.

Federal Reserve System staff have contacts with members of the public in the process of gathering information about current economic and financial conditions. In addition, staff synthesize that information using a variety of analytical methods and statistical tools, and the continual refinement of these methods and tools is facilitated by ongoing interactions with academic researchers, staff at foreign central banks, and other outside analysts. Staff also have contacts with members of the public in the course of discharging their responsibilities for open market operations and other aspects of monetary policy implementation. Finally, staff play a significant role in helping the public understand the rationale for Committee decisions. The principles described below recognize the importance of these activities for monetary policymaking and are not intended to inhibit the staff from conducting or broadly disseminating economic research or from carrying out other appropriate communications with members of the public.

To reinforce the public’s confidence in the transparency and integrity of the monetary policy process, the Committee has established the following principles to govern the public contacts of Federal Reserve System staff who have access to confidential FOMC information.² The Committee maintains responsibility for ensuring that all System staff with such access abide by these principles. Specifically, the president of each Federal Reserve Bank is responsible for ensuring the confidentiality of FOMC information at that Federal Reserve Bank and for the conduct and discretion of that Federal Reserve Bank’s staff with regard to the use of that information, and the Chair fulfills this role for Board staff.

¹ This document complements the Committee policy regarding the external communication of Committee participants, which is set forth in a separate document.

² This policy is fully consistent with and complements the rules for ethical conduct prescribed for the staff of the Board of Governors and for staff at each Federal Reserve Bank.

GENERAL PRINCIPLES

1. Federal Reserve staff play a significant role in enhancing public understanding of the Committee's actions, thereby promoting the effectiveness of monetary policy. In all communications with the public regarding monetary policy issues, members of the staff should refrain from publicly expressing their own personal opinions or predictions regarding prospective monetary policy decisions. In explaining the rationale for announced Committee decisions, staff should draw on Committee communications, the Chair's press conference remarks, and other published materials as appropriate. Whenever staff make public comments on monetary policy, they should clearly indicate that those comments are solely their own responsibility and should not be interpreted as necessarily representing the views of the Committee, its principals, or any other person associated with the Federal Reserve System.
2. To foster the ongoing frank exchange of views at Committee meetings, staff will refrain from characterizing such discussions—apart from what has been published in the minutes of each Committee meeting—in any contact with an individual, firm, or organization outside of the Federal Reserve System.
3. To protect the independence of the Committee's decision-making process from short-term political pressures, members of the staff of the Board and Federal Reserve Banks will follow their respective codes of conduct regarding partisan political activities and strive to avoid any appearance of political partisanship when discussing economic or policy issues with the public.
4. Staff will carefully safeguard all confidential FOMC information.³ No confidential information may be released except pursuant to Committee instructions or with written authorization from the Chair and prompt notification to the Committee.
5. Unless the information has been made widely available to the public, Federal Reserve staff members will refrain from divulging information outside the Federal Reserve System, such as information about economic and financial conditions or about the methods and tools that are currently being used to assess those conditions, that might allow an individual, firm, or organization to profit financially.
6. Staff will strive to ensure that their contacts with members of the public do not provide any profit-making person, firm, or organization with a prestige advantage over its competitors. They will consider this principle carefully and rigorously in considering invitations to speak at meetings sponsored by

³ The Committee's regulations concerning the designation and handling of confidential FOMC information are set forth in a separate document, "*Program for Security of FOMC Information*," available at https://www.federalreserve.gov/monetarypolicy/files/FOMC_InformationSecurityProgram.pdf.

profit-making organizations and in scheduling meetings with anyone who might benefit financially from apparently-exclusive contacts with Federal Reserve staff.

7. To facilitate the effectiveness of the Committee's policy deliberations and the clarity of its communications, staff will observe the blackout period on monetary policy communications in conjunction with each regularly scheduled Committee meeting. The blackout period will begin at 12:00 a.m. Eastern Time the second Saturday before a meeting and end at 11:59 p.m. Eastern Time the day after a meeting. For example, if the Committee meeting starts on a Tuesday, the blackout period will begin at the start of the Saturday that falls ten days earlier, and if the meeting ends on a Wednesday, the blackout period will end at the end of Thursday.⁴ During each blackout period, FOMC staff officers⁵ as well as staff who have knowledge of information that is classified as "Class I FOMC – Restricted Controlled (FR)" and that is related to the previous or upcoming FOMC meeting will refrain from expressing their views or providing analysis to members of the public about current or prospective monetary policy issues. In addition, during each blackout period, other staff will refrain from expressing their views or providing analysis to members of the public about current or prospective monetary policy issues unless that information has already been cleared for publication and made widely available to the public prior to the blackout period. Staff may carry out their responsibilities for public dissemination of regularly published Federal Reserve data series, System surveys and reports, statistical indexes, and model results. These responsibilities include providing purely descriptive information and answering technical questions specific to a release during the blackout period. Data series, surveys and reports, statistical indexes, and model results published during the blackout period that involve staff judgment may be published only with the written approval of the Chair (for releases prepared by Board staff) or the appropriate Federal Reserve Bank president (for releases prepared by Reserve Bank staff). Staff also may continue during the blackout period to engage in communications with depository institutions, Federal Reserve counterparties, and other market participants, consistent with their ongoing responsibilities for open market operations, other aspects of monetary policy implementation, and information gathering, as long as no confidential information is inappropriately divulged.

8. In carrying out their official responsibilities, Federal Reserve staff engage in certain closely-held communications with other parts of the U.S. government, with foreign central banks and governments, and with international organizations such as the International Monetary Fund and the Bank for

⁴ In the event that the second Friday before the meeting is a federal holiday, the blackout period will begin at 12:00 a.m. Eastern Time of that Friday.

⁵ As set forth in a separate document, "*Federal Open Market Committee—Rules of Organization*," the FOMC selects staff officers from the Board and Reserve Banks, including a secretary, a deputy secretary, and one or more assistant secretaries; a general counsel, a deputy general counsel, and one or more assistant general counsels; and economists, one or more of whom may be designated as senior or associate economists. The FOMC also selects a manager and a deputy manager of the System Open Market Account. For purposes of this policy, individuals selected for the above positions are considered to be FOMC staff officers.

International Settlements. In communicating with individuals from such institutions, staff may exchange views on current economic and financial conditions or discuss policy-related matters of interest to the Federal Reserve, including nonpublic information, and such communications are not subject to the blackout period described above. In all such interactions, however, no confidential FOMC information may be released except pursuant to Committee instructions or with written authorization from the Chair and prompt notification to the Committee.

PRACTICAL EXAMPLES

To assist Federal Reserve System staff in understanding the application of these principles, the Committee has considered how the principles should be applied to some common requests for public contact. For example, the following contacts would generally be consistent with the Committee's policy on external communications, as long as the staff member carefully adheres to all of the principles listed above during the contact itself:

1. A presentation at a widely-attended meeting, where the event is organized by a non-profit entity and does not involve fundraising. Such a meeting might be sponsored by an academic institution, non-profit organization, or civic or trade association (such as a chamber of commerce or a state or national bankers' association).
2. A private meeting with members of the public—such as bankers, community representatives, industry representatives, or labor representatives—to collect information about current economic and financial conditions, without divulging any information that is not widely available to the public. Whenever practical, at least two Federal Reserve staff should be present at such a meeting.
3. Release of a working paper or other publication, or delivery of a presentation, outside the blackout period that evaluates the effectiveness of monetary policy actions taken in the past.
4. A presentation during the blackout period that describes a possible future framework for the conduct of monetary policy, as long as the presenter is not an FOMC staff officer and does not have knowledge of information that is classified as "Class I FOMC – Restricted Controlled (FR)" and that is related to the previous or upcoming FOMC meeting and if the content of the presentation had already been cleared for publication and made widely available to the public prior to the blackout period.
5. A discussion between Federal Reserve and Treasury staff (including during the blackout period) regarding recent economic and financial developments in the United States or a foreign economy, how to interpret them, and their implications for future developments.

6. Federal Reserve staff communications with members of the public (including during the blackout period) to gather information on financial market developments or to discuss, as necessary for operational reasons, matters related to open market operations or other aspects of monetary policy implementation.

In contrast, the following contacts would *not* be consistent with the principles set out above:

1. Disclosure of confidential FOMC information.
2. Disclosure or characterization of the views expressed at a Committee meeting except to the extent that such information has already been released to the public with the approval of the Committee or the Chair.
3. Disclosure of a Committee participant's personal views on monetary policy that have not previously been communicated to the public.
4. Communications with members of the public in which a Federal Reserve staff member expresses personal opinions about prospective monetary policy decisions.
5. A prediction to members of the public about Committee action prior to the Committee's announcement of such decisions.
6. A private meeting with selected clients of a profit-making entity to discuss monetary policy.

Of course, the foregoing examples are not intended to serve as an exhaustive list, and hence good judgment will be essential in applying these principles. Moreover, whenever staff are unsure about whether specific contacts with the public would be appropriate, they should consult in advance with the appropriate staff person or with the head of their respective institution—namely, the Chair in the case of staff at the Board of Governors, and the president in the case of staff at a Federal Reserve Bank.

FOMC Policy on Investment and Trading for Committee Participants and Federal Reserve System Staff

Adopted February 17, 2022, as amended effective January 28, 2025

I. PURPOSE AND SCOPE

The Federal Open Market Committee (the “Committee” or “FOMC”) is committed to upholding the highest standards of ethical conduct. Public trust is critical to the successful execution of the Committee’s monetary policy responsibilities. To ensure public confidence in the impartiality, integrity, and successful execution of the Committee’s monetary policy responsibilities, the Committee imposes the following restrictions on the investment and trading activities of Committee participants and Federal Reserve System staff.

This policy includes: 1) Investment restrictions for all Federal Reserve System (“System”) employees with access to confidential FOMC information, 2) a financial trading blackout for System employees with knowledge of certain Class I FOMC information, and 3) investment and trading policies for covered individuals, as defined below:

Covered individuals are:

- (1) A Board member;
- (2) A Federal Reserve Bank president;
- (3) A Federal Reserve Bank first vice president;
- (4) A Committee staff officer, as described in section 5(a) of the Committee Rules of Organization;
- (5) A Federal Reserve Bank research director;
- (6) The Manager and Deputy Manager of the System Open Market Account;
- (7) Board Division Directors who regularly attend Committee meetings;
- (8) System staff who regularly and materially advise FOMC participants on the conduct of monetary policy; or
- (9) Any other individual that the Chair of the Committee designates as a covered individual for part or all of this policy.

II. DEFINITIONS

For purposes of this policy, the following definitions apply:

529 plan means a “qualified tuition program” as that term is defined under section 529 of the Internal Revenue Code (26 U.S.C. 529) or a similar tuition program offered by another country.

Agency security means an obligation that is a direct obligation of, or is fully guaranteed as to principal and interest by, any agency of the United States, including the Federal National Mortgage Association (Fannie Mae), Government National Mortgage Association (Ginnie Mae), and Federal Home Loan Mortgage Corporation (Freddie Mac).

Board means the Board of Governors of the Federal Reserve System.

Committee or *FOMC* means the Federal Open Market Committee.

Commodity has the meaning of the term in section 1a of the Commodity Exchange Act (7 U.S.C. 1a).

Covered trust

(1) A “covered trust” is a trust in which a covered individual or a covered individual’s spouse is the trustee or fiduciary of the trust, or otherwise exercises discretionary authority or control over the trust’s assets.

(2) The term “covered trust” does not include a trust that has received a waiver from the Board’s Designated Agency Ethics Official, in consultation with the relevant Reserve Bank ethics official where applicable.

Cryptocurrency means a digital asset that uses cryptographic techniques and is designed to work as a medium of exchange.

Debt security means any security that is not an equity security (including a corporate bond, municipal bond, and asset-backed security).

Derivative transaction means a futures contract, swap, warrant, note, option, or other agreement that is based, in whole or in part, on the value of one or more commodities, securities, currencies, interest or other rates, indices, or other assets.

Federal Reserve Bank or *Reserve Bank* means one of the District Banks authorized by the Federal Reserve Act, 12 U.S.C. 222, including any branch of any such bank.

Foreign currency means the coin and paper money of any country other than the United States that is designated as legal tender and that circulates and is customarily used and accepted as a medium of

exchange in the country of issuance. Foreign currency also includes a bank account denominated in a foreign currency.

Health savings account has the meaning of the term in section 223 of the Internal Revenue Code (26 U.S.C. 223).

Prediction market means a market where individuals can trade contracts that pay based on the outcomes of future events.

Qualifying automatic trade means a trade that happens on a periodic, pre-determined basis in connection with a transaction that is permissible under this policy. Examples of qualifying automatic trades include but are not limited to (i) an automatic dividend reinvestment plan; and (ii) periodic automatic contributions to, or automatic rebalancing within, a 529 plan, 401(k) or 403(b) plan, defined benefit or defined contribution retirement plans, or mutual funds.

Sector fund means a fund that has a stated policy of concentrating its investments in an industry, business, single country other than the United States, or bonds of a single State within the United States.

Security means stocks; bonds; debentures; notes; Treasury bills, bonds, or notes (but not U.S. savings bonds); or other similar obligations.¹

Short sale has the meaning of the term in 17 CFR 242.200(a).

Treasury bonds and notes means bonds or notes with a maturity of more than one year issued by the U.S. Treasury pursuant to 31 U.S.C. chapter 31. Treasury bonds and notes do not include U.S. savings bonds or Treasury bills with maturities of one year or less.

III. INVESTMENT RESTRICTIONS FOR ALL FEDERAL RESERVE SYSTEM EMPLOYEES WITH ACCESS TO CONFIDENTIAL FOMC INFORMATION

(a) All System employees with access to confidential FOMC information should avoid engaging in any securities transaction that would create the appearance of acting on inside information concerning Federal Reserve deliberations and actions.

(b) In order to avoid the appearance of acting on insider information, all System employees approved for access to any level of confidential FOMC information (and their spouse and minor children) should not knowingly:

¹ The inclusion of Treasury bills in the definition of "Security" is effective June 30, 2025.

(1) Hold derivatives tied to short-term interest rates such as the federal funds rate, or directly tied to FOMC actions; or

(2) Place bets (via prediction markets or otherwise) on FOMC actions.

(c) Additionally, Federal Reserve ethics rules prohibit an employee with regular, ongoing access to information that is classified as “Class I FOMC – Restricted Controlled (FR)” (and that employee’s spouse and minor children) from owning or controlling, directly or indirectly, any debt or equity interest in a primary government securities dealer or any of its affiliates, except as described in the Board’s ethics rules (5 C.F.R. § 6801.103) and the Reserve Banks’ Codes of Conduct.

IV. FINANCIAL TRADING BLACKOUT FOR FEDERAL RESERVE SYSTEM EMPLOYEES WITH KNOWLEDGE OF CERTAIN CLASS I FOMC INFORMATION

(a) An employee with knowledge of information that is classified as “Class I FOMC – Restricted Controlled (FR)” should avoid engaging in any financial transaction the timing of which could create the appearance of acting on inside information concerning Federal Reserve deliberations and actions. In order to avoid even the appearance of acting on confidential FOMC information, a System employee who has knowledge of information that is classified as “Class I FOMC – Restricted Controlled (FR)” and that is related to the previous or upcoming FOMC meeting should not knowingly:

(1) Submit an order for the purchase or sale of any security (including any interest in the Thrift Plan for Employees of the Federal Reserve System, but not including shares of a money market mutual fund or, if necessary, untaxed distributions from 529 plans, health savings accounts, or other similar accounts) during the period that begins at 12:00 a.m. Eastern Time the second Saturday before a meeting² and ends at 11:59 p.m. Eastern Time the day after a meeting.³

(2) Sell any security the System employee has held for less than 45 days, other than shares of a money market mutual fund.

(b) The execution of a purchase or sale order by an employee’s financial institution (for example, a broker-dealer) during the period described above does not constitute a violation of this policy if the purchase or sale order was submitted by the employee before the beginning of that period. System employees with knowledge of information that is classified as “Class I FOMC – Restricted Controlled

² In the event that the second Friday before the FOMC meeting is a federal holiday, the restricted period will begin at 12:00 a.m. Eastern Time of that Friday.

³ This period is the same as the communications blackout period specified in the FOMC Policy on External Communications of Committee Participants and the FOMC Policy on External Communications of Federal Reserve System Staff, which are available at https://www.federalreserve.gov/monetarypolicy/rules_authorizations.htm.

(FR)” and that is related to the previous or upcoming FOMC meeting should make every effort to ensure that the financial transactions of their spouse and dependent children (and anyone acting on behalf of the employee, spouse, or dependent children) comply with these restrictions. A System employee who is also a covered individual is subject to additional restrictions as defined below.

(c) The FOMC General Counsel shall direct all covered individuals, as well as a sample of all other System employees with knowledge of information that is classified as “Class I FOMC – Restricted Controlled (FR)”, to submit copies of any brokerage statements, or other securities transaction statements, they (or their spouse or dependent children) have received.

(d) The Board’s Designated Agency Ethics Official may grant a written waiver from part or all of the requirements of section (IV) if such waiver would be consistent with the purposes of this policy.

V. INVESTMENT AND TRADING POLICIES FOR COVERED INDIVIDUALS

The following restrictions shall apply to System employees designated as covered individuals, as well as their spouses and minor children.

In addition to this policy, covered individuals and their spouses and minor children must continue to comply with other applicable ethics laws, rules, or policies.

SECTION 1—Investment Restrictions

(a) *Prohibitions.*

(1) A covered individual, a covered individual’s spouse, and a covered individual’s minor children must not own or control, directly or through an investment fund having a stated policy of concentrating in such assets—

(i) Treasury bonds and notes;

(ii) Agency securities;

(iii) Cryptocurrencies;

(iv) Commodities; or

(v) Foreign currencies.

(2) A covered individual, a covered individual’s spouse, and a covered individual’s minor children must not own or control individual debt securities.

(3) A covered individual, a covered individual’s spouse, and a covered individual’s minor children must not be a counterparty to a derivative transaction.

(4) A covered individual, a covered individual's spouse, and a covered individual's minor children must not engage in short sales or purchase or carry a security on margin.

(b) *Covered trusts.* The prohibitions and requirements in this section apply to covered trusts in the same manner as covered individuals.

(c) *Exceptions.* The prohibitions in this section do not apply to—

(1) Shares of a money market mutual fund concentrating in U.S. government securities;

(2) Equity securities and equity options of a covered individual's spouse that are acquired or held in connection with the spouse's employment;

(3) Assets held in—

(i) A defined benefit retirement plan; or

(ii) A defined contribution retirement plan established by the federal government;

(4) Commodities that are owned for noninvestment purposes; and

(5) Foreign currencies that are owned for noninvestment purposes.

(d) *Divestitures.*

(1) *Ongoing divestiture periods.*

(i) Covered individuals (and their spouses and minor children) who acquire ownership or control of investments that are prohibited under this section through inheritance, gift, merger, acquisition, or other change in corporate structure, or otherwise without specific intent to acquire the investment must dispose of such investments within 6 months of acquisition.

(ii) Individuals who become covered individuals must dispose of all investments that are prohibited under this section, including impermissible investments of their spouse or minor children, no later than 6 months after the date they become covered individuals.

(2) Paragraph (d)(1) does not supersede other ethics laws, rules, or policies that may require a covered individual, a covered individual's spouse, or a covered individual's minor children to dispose of certain investments immediately or under time periods shorter than those described above.

(e) *Waivers.*

(1) The Board's Designated Agency Ethics Official, in consultation with the applicable Reserve Bank ethics officer, may grant a written waiver permitting a covered individual, a covered individual's

spouse, or a covered individual's minor children to own or control an investment prohibited under this section if—

- (i) Unusual and exigent circumstances exist; and
- (ii) The covered individual makes a prompt and complete written disclosure of the investment to the Board's Designated Agency Ethics Official and, if the covered individual is a Reserve Bank employee, the applicable Reserve Bank ethics officer.

(2) The Board's Designated Agency Ethics Official may grant a written waiver exempting categories of assets or transactions from part or all of the requirements in this section if such waiver would be consistent with the purpose of this policy.

SECTION 2—Trading Restrictions

(a) *Prohibition on purchases of individual equity securities and sector funds.* A covered individual, a covered individual's spouse, and a covered individual's minor children must not purchase individual equity securities or interests in a sector fund.

(b) *Minimum holding period.*

(1) A covered individual, a covered individual's spouse, and a covered individual's minor children:

- (i) must hold all investments in Treasury bills to maturity; and
- (ii) must not sell any other security for one year after the date on which the security was purchased.

(2) The holding period requirements in paragraph (b)(1) do not apply to sales of securities that are impermissible investments under this policy or other applicable ethics laws, rules, or policies.

(c) *Procedures for execution of trades.*

(1) *Advance notice.*

(i) A covered individual must provide a minimum of 45-days' non-retractable advance notice to the Board's Designated Agency Ethics Official before the covered individual, the covered individual's spouse, or the covered individual's minor child purchases or sells a security. The advance notice must identify the security that will be sold or purchased, the amount or value of the security that will be traded, and a trade date window of no more than 7 calendar days for the transaction.

(ii) Covered individuals who are employed by a Federal Reserve Bank also must provide 45-days' advance notice, as described in paragraph (c)(1)(i), to their Reserve Bank ethics officer.

(iii) In all cases, when complying with this paragraph (c)(1), covered individuals must not—

(A) Specify a trade date window that occurs during the trading blackout periods in sections 2(d) and (e); and

(B) Submit an advance notice during the trading blackout periods in sections 2(d) and (e).

(2) *Pre-clearance.*

(i) After receiving a notice as described in paragraph (c)(1), the Board's Designated Agency Ethics Official and, where applicable, Reserve Bank ethics officer will review the proposed trade for compliance with this policy and other applicable ethics laws, rules, and policies.

(ii) A covered individual, a covered individual's spouse, and a covered individual's minor children are prohibited from executing a purchase or sale of a security unless the Board's Designated Agency Ethics Official and, where applicable, Reserve Bank ethics officer has cleared the proposed trade.

(iii) A covered individual, a covered individual's spouse, and a covered individual's minor children must execute an approved trade during the trade date window provided in the advance notice.

(3) *Exception for certain divestitures to ensure ethics compliance.* The requirements of paragraphs (c)(1) and (2) apply to sales of securities that are necessary to bring a covered individual, a covered individual's spouse, or a covered individual's minor children into compliance with this policy but do not apply to sales of securities that are necessary for compliance with other ethics laws, rules, or policies.

(d) *Trading blackout during financial market stress periods.*

(1) During financial market stress periods, a covered individual, a covered individual's spouse, and a covered individual's minor children must not purchase or sell any security, unless the trade was cleared pursuant to section 2(c) prior to the beginning of the financial market stress period.

(2) The general counsel of the Board, in consultation with the Board Chair, will determine the beginning and end dates of any financial market stress period and will promptly communicate such beginning and end dates to covered individuals and Reserve Bank ethics officers.

(e) *Trading blackout around FOMC meetings.* Covered individuals must comply with the Financial Trading Blackout for Federal Reserve System Employees with Knowledge of Certain Class I FOMC Information as described in section (IV).

(f) *Covered trusts.* The prohibitions and requirements in this section apply to covered trusts in the same manner as covered individuals.

(g) *Retirement plans.* The prohibitions and requirements in section 2(a) through 2(d) do not apply to trades that covered individuals (and their spouses and minor children) make in connection with their participation in—

- (1) A defined benefit retirement plan; or
- (2) A defined contribution retirement plan established by the federal government.

(h) *Exempted trades.*

- (1) The prohibition in section 2(a) does not apply to transactions involving—
 - (i) Equity securities and equity options of a covered individual's spouse that are acquired or held in connection with the spouse's employment; and
 - (ii) Equity securities issued by small businesses, including small family farms.
- (2) The requirements in section 2(b) through (d) do not apply to transactions involving—
 - (i) Shares of a money market mutual fund;
 - (ii) Qualifying automatic trades; and
 - (iii) Untaxed distributions from 529 plans, health savings accounts, or other similar accounts.

(i) *Waivers.*

- (1) The Board's Designated Agency Ethics Official, in consultation with the applicable Reserve Bank ethics officer, may grant a written waiver permitting a covered individual, a covered individual's spouse, or a covered individual's minor children to purchase or sell a security without complying with the requirements in this section if—
 - (i) Unusual and exigent circumstances exist; and
 - (ii) The covered individual makes a prompt and complete written disclosure of the transaction to the Board's Designated Agency Ethics Official and, if the covered individual is a Reserve Bank employee, the applicable Reserve Bank ethics officer.
- (2) The Board's Designated Agency Ethics Official may grant a written waiver exempting categories of assets or transactions from part or all of the requirements in this section if such waiver would be consistent with the purpose of this policy.

SECTION 3—Reporting and Disclosure

(a) *Periodic transaction reports for Reserve Bank presidents.* Consistent with the requirement for Board members, Reserve Bank presidents must file Periodic Transaction Reports (which are

substantively identical to the reports required under 5 CFR 2634.309) with their Reserve Bank ethics officer, and, at the same time, the Board's Designated Agency Ethics Official within 30 days of receiving notification of a transaction but not later than 45 days after the transaction.

(b) *Disclosure of reports.* Any Periodic Transaction Report and annual financial disclosure reports filed by a Reserve Bank president must be promptly posted on the public website of the relevant Reserve Bank.

Federal Open Market Committee— Statements of Policy

12 CFR 281; as amended effective February 16, 2005

SECTION 281.1—POLICY REGARDING THE GOVERNMENT IN THE SUNSHINE ACTⁱ

On September 13, 1976, there was enacted into law the Government in the Sunshine Act, Pub. L. No. 94-409, 90 Stat. 1241 (“Sunshine Act”), established for the purpose of providing the public with the “fullest practicable information regarding the decision-making processes of the Federal Government...while protecting the rights of individuals and the ability of the Government to carry out its responsibilities.”ⁱⁱ The Sunshine Act applies only to those federal agencies that are defined in section 552(e) of title 5 of the United States Code and “headed by a collegial body composed of two or more individual members, a majority of whom are appointed to such position by the President with the advice and consent of the Senate, and any subdivision thereof authorized to act on behalf of the agency.”ⁱⁱⁱ

The Federal Open Market Committee (“FOMC”) is a separate and independent statutory body within the Federal Reserve System. In no respect is it an agent or “subdivision” of the Board of Governors of the Federal Reserve System (“Board of Governors”). It was originally established by the Banking Act of 1933 and restructured in its present form by the Banking Act of 1935 and subsequent legislation in 1942 (generally see 12 USC 263(a)). The FOMC’s membership is composed of the seven members of the Board of Governors and five representatives of the Federal Reserve Banks who are selected annually in accordance with the procedures set forth in section 12A of the Federal Reserve Act, 12 USC 263(a). Members of the Board of Governors serve in an ex officio capacity on the FOMC by reason of their appointment as members of the Board of Governors, not as a result of an appointment “to such position” (the FOMC) by the President. Representatives of the Federal Reserve Banks serve on the FOMC not as a result of an appointment “to such position” by the President, but rather by virtue of their positions with the Federal Reserve Banks and their selection pursuant to section 12A of the Federal Reserve Act. It is clear therefore that the FOMC does not fall within the scope of an “agency” or “subdivision” as defined in the Sunshine Act and consequently is not subject to the provisions of that act.

As explained below, the act would not require the FOMC to hold its meetings in open session even if the FOMC were covered by the act. However, despite the conclusion reached that the Sunshine Act does not apply to the FOMC, the FOMC has determined that its procedures and timing of public

disclosure already are conducted in accordance with the spirit of the Sunshine Act, as that act would apply to deliberations of the nature engaged in by the FOMC.

In the foregoing regard, the FOMC has noted that while the act calls generally for open meetings of multi-member federal agencies, 10 specific exemptions from the open meeting requirement are provided to assure the ability of the government to carry out its responsibilities. Among the exemptions provided is that which authorizes any agency operating under the act to conduct closed meetings where the subject of a meeting involves information “the premature disclosure of which would—in the case of an agency which regulates currencies, securities, commodities, or financial institutions, be likely to lead to significant financial speculation in currencies, securities, or commodities.”^{iv}

As to meetings closed under such exemption, the act requires the maintenance of either a transcript, electronic recording or minutes and sets forth specified, detailed requirements as to the contents and timing of disclosure of certain portions or all of such minutes. The act permits the withholding from the public of the minutes where disclosure would be likely to produce adverse consequences of the nature described in the relevant exemptions.

The FOMC has reviewed the agenda of its monthly meetings for the past three years and has determined that all such meetings could have been closed pursuant to the exemption dealing with financial speculation or other exemptions set forth in the Sunshine Act. The FOMC has further determined that virtually all of its substantive deliberations could have been preserved pursuant to the act’s minutes requirements and that such minutes could similarly have been protected against premature disclosure under the provisions of the act.

The FOMC’s deliberations are currently reported by means of a document entitled “Record of Policy Actions” which is released to the public approximately one month after the meeting to which it relates. The Record of Policy Actions complies with the act’s minutes requirements in that it contains a full and accurate report of all matters of policy discussed and views presented, clearly sets forth all policy actions taken by the FOMC and the reasons therefore, and includes the votes by individual members on each policy action. The timing of release of the Record of Policy Actions is fully consistent with the act’s provisions assuring against premature release of any item of discussion in an agency’s minutes that contains information of a sensitive financial nature. In fact, by releasing the comprehensive Record of Policy Actions to the public approximately a month after each meeting, the FOMC exceeds the publication requirements that would be mandated by the letter of the Sunshine Act.

Recognizing the congressional purpose underlying the enactment of the Sunshine Act, the FOMC has determined to continue its current practice and timing of public disclosures in the conviction that its operations thus conducted are consistent with the intent and spirit of the Sunshine Act.

ⁱ Code of Federal Regulations, title 12, chapter II, part 281. The statement in section 281.1 was effective March 10, 1977. An amendment to 12 CFR 281 effective February 16, 2005, deleted an obsolete statement.

ⁱⁱ Government in the Sunshine Act, Pub. L. No. 94-409, 2, 90 Stat. 1241 (1976).

ⁱⁱⁱ Government in the Sunshine Act, Pub. L. No. 94-409, 3(a), 90 Stat. 1241 (1976).

^{iv} Government in the Sunshine Act, Pub. L. No. 94-409, 3(a), 90 Stat. 1242 (1976).

Program for Security of FOMC Information

As reaffirmed effective January 28, 2025

I. INTRODUCTION.

The Program for Security of FOMC Information (“the Program”) describes what confidential FOMC information is, how it is classified, who may access it, as well as eligibility requirements for continued access, how it should be handled, and who is responsible for ensuring that it is protected. Everyone with access to confidential FOMC information is required to review and abide by the rules described below.

These security procedures are not intended to preclude discussions within the Federal Reserve of important FOMC-related issues, including the general reasons for the Federal Open Market Committee’s (the “Committee”) decisions. Such discussions may be conducted for research purposes or for preparing briefings and other information for Committee members, but care should be taken that all discussion participants have the appropriate level of authorization if confidential information is being shared.

II. DEFINITION OF CONFIDENTIAL FOMC INFORMATION.

Confidential FOMC information includes all privileged information that comes into the possession of the Board members, Federal Reserve Bank presidents, or Federal Reserve System staff in the performance of their duties for, or pursuant to the direction of, the Committee. Such information covers, but is not limited to, expressions of policy views at Committee meetings, reasons for those views, votes of the Committee, and staff forecasts. The information that must be kept confidential may be in any form. It includes not only paper documents, but also electronic messages and files, recordings, notes, oral briefings, and discussions relating to confidential FOMC matters.

III. CLASSIFICATION OF CONFIDENTIAL FOMC INFORMATION.

There are three security classifications for confidential FOMC information. The first two classifications—“Class I FOMC – Restricted Controlled (FR)” and “Class II FOMC – Restricted (FR)” —apply to very sensitive FOMC information. Class I FOMC information must be handled at least as securely as material classified by the Federal Reserve Board as “Restricted Controlled (FR).” Access to Class II information is somewhat less restrictive than access to Class I. It must be treated at least as securely as material classified by the Federal Reserve Board as “Restricted (FR).” The classification “Class III FOMC – Internal (FR)” applies to less sensitive information that still requires confidential treatment. It must be handled at least as securely as material classified by the Federal Reserve Board as “Internal (FR).” (See Section VI below for handling requirements.)

Information in these classifications must be kept confidential until it is released to the public by the Chair or by the Committee secretary pursuant to Committee instructions. All questions related to the classification, distribution, or handling of documents should be directed to the FOMC Secretariat.

A. “Class I FOMC – Restricted Controlled (FR).”

This classification is generally applied to information that includes policymaker input, e.g., information related to monetary policy decisions at meetings, nonpublic views expressed by policymakers on likely future policy, and identification of meeting participants who express particular views. Class I information includes, but is not limited to:

1. *Monetary Policy Alternatives* (“Tealbook B”).
2. Minutes of Committee meetings, including drafts.
3. Committee meeting recordings and transcripts.
4. Portions of Committee meeting participants’ prepared remarks that include material from Class I documents such as Tealbook B and other monetary policy alternatives under consideration.
5. Submissions by, or on behalf of, policymakers in the Summary of Economic Projections process.
6. Special memoranda or reports deemed particularly sensitive, including materials that might otherwise carry a Class II designation (e.g., a report from the manager containing information on sensitive foreign exchange operations).

B. “Class II FOMC – Restricted (FR).”

This classification is generally applied to Board staff forecasts prepared for the Committee and to information about open market operations. Class II information includes, but is not limited to:

1. *Economic and Financial Conditions: Outlook, Risks, and Policy Strategies* (“Tealbook A”), and Board staff projections or assumptions relating to interest rates.
2. Reports of the manager on domestic and foreign open market operations.
3. Information on Desk operations posted on confidential portions of the “MarketSource” website of the Federal Reserve Bank of New York.
4. Other materials on economic and financial developments (including foreign), special memoranda, tables, and charts less sensitive than those in Class I, including briefing materials

containing Class II information that are produced and circulated within the Board or individual Federal Reserve Banks.

C. “Class III FOMC – Internal (FR).”

This classification is generally applied to less-sensitive background information prepared by Board staff to support policy discussions and to less-sensitive information about open market operations. Class III information includes, but is not limited to:

1. Tealbook Data Sheets.
2. Committee meeting agendas.

D. Security Classification Downgrading of confidential FOMC Information.

Confidential FOMC information loses its security classification when the Committee releases it to the public. Class II information is downgraded to Class III six months after the relevant Committee meeting. Additionally, Tealbook B and monetary policy alternatives documents are downgraded from Class I to Class II six months after the relevant Committee meeting, and from Class II to Class III one year after the relevant meeting. The Chair’s designees may downgrade Class I and Class II documents on an ad-hoc basis if the sensitivity of the information has declined.

E. The Chair may make ad-hoc exceptions to this section that are either more or less restrictive for particular documents being circulated or for other confidential FOMC information.

IV. ACCESS TO CONFIDENTIAL FOMC INFORMATION WITHIN THE FEDERAL RESERVE SYSTEM.

A. Access to confidential FOMC information, which includes Class I, Class II, and Class III information, requires eligibility, designation, and maintenance.

1. Eligibility: Eligibility for access to confidential FOMC information is in all cases governed at the Board by the policy “Access to Federal Open Market Committee and Confidential Supervisory Information” (Attachment 1: “Access Eligibility Policy for Board Employees”) and at the Banks by the Federal Reserve Administration Manual (FRAM) policy “Regulation on Granting Eligibility for Access to FOMC information and CSI” (Attachment 2: “Access Eligibility Policy for Bank Employees”).¹

2. Designation: At each Federal Reserve Bank, the president, or the research director on the president’s behalf, is responsible for designating the individuals, who must meet the eligibility

¹ The restricted country list, which is referred to in the Board and Bank access eligibility policies, is available in Attachment 3. The attached version of the list was current as of January 2025; the U.S. Department of State maintains the list, which is available through the link in Attachment 3.

requirements, to be given access to each class of confidential FOMC information. At the Federal Reserve Bank selected by the Committee to execute open market transactions (the “Selected Bank”), the manager of the System Open Market Account (“SOMA”) may also designate individuals on behalf of the president. At the Board, that responsibility is assumed by the Chair or the Chair’s designees and by Board members for their assistants. In order for an eligible person to be designated for access, the following requirements must be met:

- a. Need to know: Access to all confidential FOMC information requires a strict “need-to-know” for the information.
- b. Before being granted access, all eligible individuals must receive, review, and agree to abide by the rules for handling confidential FOMC information that are referred to in this document.
- c. Numerical limits: Access at Federal Reserve Banks other than the Selected Bank (and the relevant area of the Federal Reserve Bank that serves as the backup site for open market operations) is subject to the numerical limits noted below. In complying with these limits, Federal Reserve Banks may designate different individuals to have access to different documents. For example, one slot could be filled by designating an international economist as having access to all special memoranda relating to foreign currency operations, and a domestic economist as having access to other FOMC memoranda.
 - i. Access to “Class I FOMC – Restricted Controlled (FR)” materials is restricted to the president and first vice president and to seven other Federal Reserve Bank individuals as well as a limited number of office support staff.
 - ii. Access to “Class II FOMC – Restricted (FR)” materials is restricted to the president and first vice president and to eleven other Federal Reserve Bank individuals as well as a limited number of office support staff.
 - iii. Access to “Class III FOMC – Internal (FR)” information is not limited to a specific number of individuals.
- d. The lists of all persons, including office support staff, who are authorized to have access to Class I, Class II, or Class III information are to be recorded electronically.
- e. To facilitate the preparation of special analyses and briefings within the System, eligible individuals may be granted ad-hoc access to Class I, Class II, or Class III information on a strict “need-to-know” basis for a specific and limited period of time. If an individual meets all the other requirements of this section IV, such ad-hoc access may be granted by the president of a Federal Reserve Bank or a research director on his/her behalf for Bank individuals or by the Chair or the Chair’s designee for Board individuals. The granting of such access should be recorded

electronically.

3. Maintenance: At each institution, access to Class I, Class II, and Class III FOMC information should be reviewed carefully at least annually. In order to maintain access to confidential FOMC information, the following conditions must be met:

- a. Eligibility: Individuals must continue to be eligible for access to FOMC information. If an individual loses eligibility for access to confidential FOMC information, the FOMC Secretariat must be notified promptly and access to all levels of confidential FOMC information must be terminated promptly.
- b. Designation: Individuals with access to confidential FOMC information must be re-designated for access annually (see section IV.A.2 for the designation process).
- c. Rules agreement: After initial agreement, individuals must annually receive, review, and agree to abide by the rules for handling confidential FOMC information that are referred to in this document.
- d. Ethics: All employees² of a Federal Reserve Bank or the Board must comply with the ethics policy of their employer, which includes appropriate financial reporting.
- e. Training: All individuals with access to confidential FOMC information must complete FOMC information security training annually.
- f. Investment and trading: All individuals with access to confidential FOMC information must comply with the FOMC Policy on Investment and Trading for Committee Participants and Federal Reserve System Staff.³
- g. External communications: All individuals with access to confidential FOMC information must comply with the FOMC's policies on external communications.⁴

B. In order to provide secure and rapid document delivery, access to selected confidential FOMC information is given electronically through the FOMC Portal ("Portal"). Portal access is restricted at each Federal Reserve Bank to the president and first vice president and up to seven other Federal Reserve Bank individuals. The Desk at the Selected Bank has access for four additional users at that Federal Reserve Bank. The president of each Federal Reserve Bank may delegate to the research

² "Employees" means an individual appointed into Board service for at least 90 calendar days or an individual who performs services for, is on the payroll of, and receives earnings reported on a Form W-2 from a Reserve Bank for a period expected to be at least 90 days.

³ The Committee's "FOMC Policy on Investment and Trading for Committee Participants and Federal Reserve System Staff" is available at https://www.federalreserve.gov/monetarypolicy/rules_authorizations.htm.

⁴ The Committee's regulations concerning external communications are set forth in two documents, "FOMC Policy on External Communications of Committee Participants," and "FOMC Policy on External Communications of Federal Reserve System Staff," both of which are available at https://www.federalreserve.gov/monetarypolicy/rules_authorizations.htm.

director the responsibility for selecting users, monitoring compliance with Portal guidelines, and communicating with the FOMC Secretariat when changes in usage or other issues occur. Access to the Portal for Board individuals is authorized by a designee of the Chair and monitored by the FOMC Secretariat.

C. The Chair or a designee of the Chair may make ad-hoc exceptions to this section that are either more or less restrictive for particular documents, information, or individuals.

V. ACCESS TO CONFIDENTIAL FOMC INFORMATION OUTSIDE THE FEDERAL RESERVE SYSTEM.

A. No confidential FOMC information may be released except pursuant to Committee instructions or with written authorization from the Chair and, as appropriate, notification to the Committee.

B. Confidential FOMC documents generally are made available to the public after a lag of about five years. Such availability is subject to staff review (including consultation with the Chair or the Committee where appropriate) for the purpose of redacting any materials that are still deemed to be sensitive after five years. For example, confidential information obtained from or about particular persons or businesses, foreign governments and central banks, and international institutions that is deemed sensitive after the five-year lag will be protected. In addition, national security classified information that may be contained in FOMC documents remains confidential until it is declassified. The principal objectives of the Committee's policy of withholding sensitive information after the five-year lag are to preserve the Committee's ability to collect needed information, to allow its representatives to participate in sensitive discussions and report on them to the Committee, to avoid disclosures that would adversely affect U.S. international relations, and to comply with the applicable laws governing the disclosure of confidential information.

C. Pursuant to appropriate limits on disclosure, the Selected Bank may share transactional FOMC information with outside entities (such as counterparties, custodians, and financial market utilities) as necessary to ensure the effective and efficient implementation of the directives of the Committee.

D. The Chair may make ad-hoc exceptions to this section that are either more or less restrictive for particular documents or for other confidential information.

VI. HANDLING OF CONFIDENTIAL FOMC MATERIALS.

To assure the necessary confidentiality, it is important that special care be exercised in handling FOMC materials. The minimum requirements for handling confidential FOMC and Federal Reserve information are described in the Federal Reserve Board's *"Information Classification and Handling Standard"* document (copies of summary appendices of this document, labeled "Attachment 4," are

attached for convenience). As noted in Section III above, confidential FOMC information must be treated at least as securely as information in the corresponding Federal Reserve Board category. The following requirements are highlighted here:

- A. In addition to ensuring that the materials themselves are made available only to individuals who have been given access to them, the confidential FOMC information they contain should be discussed with such individuals only.
- B. Individuals who no longer have access to confidential FOMC information, whether because of a job change within the Federal Reserve, employment outside the Federal Reserve, or retirement, must release custody of all confidential materials in their possession and remain subject to all the prohibitions relating to the disclosure of FOMC information that is still confidential.
- C. The distribution to the Committee of all documents, other than the manager's reports, should be handled through the FOMC Secretariat.
- D. In addition, to facilitate the identification of Class I and Class II FOMC information, the appropriate coversheet should be placed on all such documents that are to be circulated. (The Tealbook is distinctive in appearance and meets this requirement without an additional cover page.)

VII. ONGOING RESPONSIBILITY FOR MAINTAINING CONFIDENTIALITY.

- A. The president of each Federal Reserve Bank is responsible for ensuring the confidentiality of FOMC information at that Federal Reserve Bank and for the conduct and discretion of that Federal Reserve Bank's staff with regard to the use of the information. The Chair fulfills this role at the Board.
- B. In addition to meeting the requirements in section IV, institutions may implement further procedures in support of information security.
- C. If any Committee participant or Federal Reserve System individual becomes aware of an incident in which FOMC information security rules may not have been followed, that individual should promptly alert the FOMC Secretariat. The secretary or the Committee's general counsel will, with appropriate consultation with the Chair, promptly refer all material known or suspected incidents to the Board's inspector general and request an investigation, as well as ensure the incident is reported to other institutions, as appropriate. The Chair will inform the Committee about these matters and investigations, as appropriate.
- D. If a staff person at the Federal Reserve Board has been found to be responsible for an FOMC information security incident, the Chair will determine the consequences for that individual. If a staff person at a Federal Reserve Bank has been found to be responsible for an FOMC information security incident, the president of that Federal Reserve Bank will determine the consequences for that

individual and will inform the Chair of that determination. If a Committee participant has been found to be responsible for an FOMC information security incident, the Committee will determine the consequences for that participant. The Inspector General will contact law enforcement agencies whenever an investigation indicates that criminal statutes may have been violated.

VIII. COMMITTEE MEETING ATTENDANCE.

A. Except by approval of the Committee, attendance at Committee meetings, including conference calls, is limited to:

1. Board members and Federal Reserve Bank presidents and any other alternate members. In the absence of a president, a substitute Federal Reserve Bank officer designated by the president or the Federal Reserve Bank's board of directors.
2. Committee officers. In the absence of an associate economist from a Federal Reserve Bank, one substitute designated in advance by the president, with notice to the FOMC Secretariat.
3. The manager of the SOMA and one assistant to the manager (such as the deputy manager). In the manager's absence, a substitute designated by the manager or the president of the Selected Bank, with notice to the FOMC Secretariat.
4. One adviser or one substitute designated in advance, with notice to the FOMC Secretariat, by each president who is not currently a member of the Committee.
5. Federal Reserve Bank first vice presidents: Each may attend one FOMC meeting per year.
6. FOMC Secretariat assistance and a limited number of additional members of System staff designated by the Chair.

B. Attendance may be limited further by the Chair if a meeting, or portion of a meeting, gives rise to unusual sensitivity problems

Attachment 1

ACCESS ELIGIBILITY POLICY FOR BOARD EMPLOYEES

ACCESS TO FEDERAL OPEN MARKET COMMITTEE AND CONFIDENTIAL SUPERVISORY INFORMATION

POLICY STATEMENT

This policy explains the rules for granting Board employees' eligibility for access to Federal Open Market Committee (FOMC) information and confidential supervisory information (CSI).¹ The purpose of this policy is to help ensure that FOMC information and CSI be maintained in confidence through a system of controlled access to protect against unauthorized disclosure or use of such information that could cause damage to the mission and activities of the Board.

This policy does not apply to individuals, such as contractors, who are not Board employees.² Thus, in general, those who are not Board employees are not eligible to access FOMC information. Non-employees may access CSI if authorized by the director of Supervision and Regulation (S&R) under such terms and conditions established by the director of S&R.

DEFINITIONS

Board employee means an individual who is appointed into Board service.

CSI means confidential supervisory information of the Board, as defined in 12 CFR 261.2(c).

FOMC information means confidential information of the FOMC designated as Class III, Class II, or Class I, as explained in the Program for Security of FOMC Information (Program).

International organization means an intergovernmental organization that the United States participates in, such as the Bank for International Settlements, the International Monetary Fund, and the World Bank.

Prudential regulator means a foreign government entity that is responsible for supervising and regulating foreign banks and/or financial firms and that performs functions similar to those performed by the Division of Supervision and Regulation.

¹ This policy rescinds Supervision and Regulation (SR) letter 06-14 and all references to SR 06-14, and the prior information access rules in 12 CFR § 268.205 ("Prior Access Rules") are to be replaced with a reference to this policy.

² The Board has a separate regulation that governs Reserve Bank employees' access to both Federal Open Market Committee (FOMC) information and confidential supervisory information (CSI).

Restricted country means a country that is subject to a State Department policy or embargo that restricts the export of defense articles and services.

CONDITIONS FOR GRANTING ACCESS TO FOMC INFORMATION OR CSI

Board employees are only eligible to access FOMC information and/or CSI if they (1) have a need to know the information;³ (2) are (i) a U.S. citizen, or a lawful permanent resident or, if not, are not a citizen of a restricted country;⁴ and (ii) if not already a U.S. citizen, have signed a declaration of intent to expeditiously become, as applicable, a lawful permanent resident and a U.S. citizen when eligible;⁵ (3) agree to abide by (and do abide by) the relevant rules for accessing and handling the information;⁶ and (4) have been determined, based on the results of a background investigation (as explained below), to be suitable to access such information. In addition, Board employees are only eligible to access FOMC information if they have been hired to work for the Board as an employee for a period of 90 days or more.

BACKGROUND INVESTIGATION REQUIREMENT

Board employees are eligible to access FOMC information and CSI only if they have undergone a background investigation and have been deemed suitable to perform work for the Board under the Board's Suitability policy.

REINVESTIGATIONS

The Board may reinvestigate individuals at any time to determine whether they continue to be eligible to access FOMC information and CSI. This may include, for example, a set reinvestigation schedule, a random sampling for reinvestigation, or a reinvestigation prompted by learning new information.

³ For FOMC information, whether there is a need to know and designation of access is determined under the Program. For CSI, whether there is a need to know and designation of access is determined by S&R policies.

⁴ If an individual is a citizen of a restricted country and a non-restricted country, the individual will be considered to be a citizen of a restricted country for purposes of this policy (unless of course, the individual is a dual citizen of the U.S. or a lawful permanent resident of the U.S. with a declaration of intent, in which case U.S. citizenship or lawful permanent residence, as applicable, controls). Whether an individual is a citizen of a restricted or non-restricted country is determined at the time information access is requested by the employee, and, if access is granted, subsequent changes to the restricted country list will not cause the employee to become ineligible to access information under this regulation. In addition, citizens of restricted countries who were hired prior to the effective date of this policy may retain access to FOMC information and CSI under Prior Access Rules if they signed a declaration of intent by November 22, 2019.

⁵ Individuals' access may be revoked if they fail to provide a declaration of intent, to expeditiously apply for lawful permanent residence or U.S. citizenship when eligible, or to expeditiously take all steps necessary to obtain lawful permanent residence or U.S. citizenship. An employee will be considered to have expeditiously applied for U.S. citizenship if the employee applies within six months of being eligible to do so. Whether the time period for other actions will be considered expeditious will be determined based on the facts and circumstances. In addition, an individual who meets the definition of a protected individual under 8 USC § 1324b(a)(3) will qualify as meeting the citizenship requirements detailed in this policy and will (provided they meet the requirements in (1), (3), and (4), above) be eligible to access FOMC information and CSI.

⁶ For FOMC information, the Program establishes these access and handling rules. For CSI, these access and handling rules are established by S&R policies.

EXCEPTIONS

Individuals Employed by Foreign Central Banks, Prudential Regulators, International Organizations, or Executive Agencies

Access to CSI

Individuals employed by foreign central banks or prudential regulators, and international organizations, who are not citizens of a restricted country, and who are on temporary professional exchanges with the Board (“Detailees” or “Secondes”) may be granted access, for up to 18 months, to CSI rated Internal-FR or Restricted-FR if they (1) have a need to know the information; (2) agree to abide by (and do abide by) the relevant rules for accessing and handling the information as evidenced by signing a non-disclosure agreement; and (3) have been determined by the director of the division, office, or department hosting the visitor to be eligible to access such information after reviewing

- the result of a fingerprint check that screens the Secondes’s fingerprints against the FBI’s National Criminal History Fingerprint database;
- the results of a credit check and name check screen by a private contractor;
- information provided by their employer, including, in the case of foreign central banks, a letter indicating that the foreign central bank has vetted the Secondes (for example, by conducting a background investigation) and determined the Secondes is qualified for access to confidential and/or sensitive information at their employer; and
- information, if any, provided by intelligence agencies.

Individuals who are employed by executive agencies of the federal government who are on temporary professional exchanges with the Board may be granted access to CSI rated Internal-FR or Restricted-FR if their employing executive agency provides information to the Board to show that they passed the same level of background investigation that the Board would require for them to access such CSI.

Administrative Governor’s Authority to Grant Access

The Administrative Governor may grant an individual eligibility to access CSI under other circumstances not outlined above.

TERMINATING ACCESS

An individual’s eligibility to access to FOMC information or CSI may be terminated at any time if the individual fails to abide by the above rules for granting access to such information, including the relevant handling rules, or if the individual is not eligible to access such information in light of the

results of a background investigation or other information.

RESPONSIBILITY

The Administrative Governor may rescind or amend this policy at any time.

Attachment 2

ACCESS ELIGIBILITY POLICY FOR BANK EMPLOYEES

REGULATION ON GRANTING ELIGIBILITY FOR ACCESS TO FOMC INFORMATION AND CSI

Federal Reserve Administrative Manual

This regulation explains the requirements the Reserve Banks must follow when granting employees eligibility for access to Federal Open Market Committee (FOMC) information and confidential supervisory information (CSI).¹ The purpose of this regulation is to help ensure that FOMC information and CSI be maintained in confidence through a system of controlled access to protect against unauthorized disclosure or use of such information that could cause damage to the mission and activities of the Federal Reserve System.

This regulation does not apply to individuals, such as contractors, who are not Reserve Bank employees. Thus, in general, those who are not Reserve Bank employees are not eligible to access FOMC information. Non-employees may access CSI if authorized by the Director of Supervision & Regulation (S&R) under such terms and conditions established by the Director of S&R.

DEFINITIONS

CSI means confidential supervisory information of the Board, as defined in 12 C.F.R.261.2(c).

FOMC information means confidential information of the FOMC designated as Class III, Class II, or Class I, as explained in the Program for Security of FOMC Information (Program).

Reserve Bank employee means an individual who performs services for, is on the payroll of, and receives earnings reported on a Form W-2 by, a Reserve Bank. The term does not include, for example, any individual who provides services to a Reserve Bank under a contract.

Restricted country means a country that is subject to a State Department policy or embargo that restricts the export of defense articles and services.

¹ This regulation rescinds SR 06-14 and all references to SR 06-14 and the prior information access rules in 12 C.F.R. § 268.205 are to be replaced with a reference to this regulation.

CONDITIONS FOR GRANTING ELIGIBILITY FOR ACCESS TO FOMC INFORMATION AND CSI

Reserve Bank employees are only eligible to access FOMC information and/or CSI if they: (1) have a need to know the information;² (2) are: (i) a US citizen, or a lawful permanent resident or, if not, are not a citizen of a Restricted country;³ and (ii) if not already a US citizen, have signed a declaration of intent to expeditiously become, as applicable, a lawful permanent resident and a US citizen when eligible;⁴ (3) agree to abide by (and do abide by) the relevant rules for accessing and handling the information;⁵ and (4) have been determined, based on the result of a background investigation (as explained below) to be suitable to access such information. In addition, Reserve Bank employees are only eligible to access FOMC information if they have been hired to work for a Reserve Bank with the expectation that the individual will be an employee for a period of at least 90 calendar days.

BACKGROUND INVESTIGATION REQUIREMENT

Reserve Bank employees are eligible to access FOMC information and CSI if the individual or entity who decides whether a Reserve Bank employee is suitable for employment at the Reserve Bank (“deciding official or entity”) has determined that the results of the background investigation conducted by the Reserve Bank demonstrate that the employee is also suitable to access FOMC Information and CSI in light of the Board’s suitability standards.

The background investigation required under this regulation must be acceptable to the Director of RBOPS.⁶ The deciding official or entity will review a Reserve Bank employee’s background investigation results and determine whether the results support eligibility to access FOMC information and CSI based on the adjudicative standards outlined in the Board’s Suitability policy.

² For FOMC information, whether there is a need to know and designation of access is determined under the Program. For CSI, whether there is a need to know and designation of access is determined by S&R policies.

³ If an individual is a citizen of a Restricted Country and a Non-Restricted Country, the individual will be considered to be a citizen of a Restricted Country for purposes of this regulation (unless of course, the individual is a dual citizen of the US or a lawful permanent resident of the US with a declaration of intent, in which case US citizenship or lawful permanent residence, as applicable, controls). Whether an individual is a citizen of a Restricted or Non-Restricted Country is determined at the time information access is requested by the employee and, if access is granted, subsequent changes to the Restricted Country list will not cause the employee to become ineligible to access information under this regulation.

⁴ Individuals’ access may be terminated if they fail to provide a declaration of intent, to expeditiously apply for lawful permanent residence or US citizenship when eligible, or to expeditiously take all steps necessary to obtain lawful permanent residence or US citizenship. An employee will be considered to have expeditiously applied for US citizenship if he or she applies within six months of being eligible to do so. Whether the time period for other actions will be considered expeditious will be determined based on the facts and circumstances. In addition, an individual who meets the definition of a protected individual under 8 U.S.C. § 1324b(a)(3) will qualify as meeting the citizenship requirements detailed in this regulation and will (provided they meet the requirements in (1), (3), and (4), above) be eligible to access FOMC information and CSI.

⁵ For FOMC information, the Program establishes these access and handling rules. For CSI, these access and handling rules are established by S&R policies.

⁶ The Director of RBOPS has determined that the background investigations currently conducted by the Reserve Banks meet the requirements of this policy. However, going forward, RBOPS may review in more detail the background investigation practices at the Reserve Banks and may provide different guidance on background investigation requirements in the future.

If the deciding official or entity determines an employee's background investigation results do not support eligibility to access FOMC information or CSI the deciding official or entity shall ensure management does not grant such access. The relevant Reserve Bank official shall determine whether the Reserve Bank employee may continue to perform work for the Reserve Bank if found ineligible to access FOMC information or CSI. To the extent an employee will need access to both FOMC information and CSI the bank should reach one suitability determination, per employee, for both types of information.

Banks must report to the Director of S&R and to the FOMC Secretary the number of requests for access to CSI and FOMC information that are granted and denied each year.

REINVESTIGATIONS

In addition to the above investigations, a Reserve Bank may reinvestigate individuals at any time to determine whether they continue to be eligible to access FOMC information and CSI. This may include, for example, a set reinvestigation schedule, a random sampling for reinvestigation, or a reinvestigation prompted by learning new information.

EXCEPTIONS

The Administrative Governor may grant an individual eligibility to access CSI under other circumstances not outlined above.

TERMINATING ACCESS

An individual's eligibility to access FOMC information or CSI may be terminated at any time if he or she fails to abide by the above rules for granting access to such information, including the relevant handling rules, or if the deciding official or entity determines that the individual is not eligible for access to such information in light of the results of a background investigation or other information. In addition, the Board may review deciding officials' or entities' decisions, through an audit process or as a result of other circumstances, such as becoming aware of information that causes the Board to be concerned that eligibility for access is not consistent with its suitability rules. If, after review, the Board determines that an individual is not eligible for access to such information, the individual's access must be terminated. For access to FOMC information, this decision will be made by the FOMC Secretary and for access to CSI the decision will be made by the Director of S&R. If an individual has

access to both FOMC information and CSI and there is a need to terminate access to both types of information the decision will be made jointly by the FOMC Secretary and the Director of S&R.⁷

If the deciding official or entity (at a Reserve Bank or the Board) terminates an individual's eligibility for access, the deciding official or entity shall communicate the reason for terminating access in writing to the individual being denied access. The decision shall be final when issued and may not be appealed. The relevant Reserve Bank official shall determine whether a Reserve Bank employee may continue to perform work for the Reserve Bank if found ineligible to access FOMC information or CSI.

RESPONSIBILITY

The Administrative Governor may rescind or amend this FRAM regulation at any time.

⁷ In the case of a disagreement between the FOMC Secretary and the Director of S&R, the decision will be made by the Administrative Governor.

Attachment 3

RESTRICTED COUNTRIES

Below is the list of countries (as of January 2025) that are referred to as “restricted countries” in the Board’s “Access to Federal Open Market Committee and Confidential Supervisory Information” policy (Program Attachment 1) and in the Federal Reserve Administration Manual (FRAM) policy, “Regulation on Granting Eligibility for Access to FOMC information and CSI” (Program Attachment 2)¹

Afghanistan	Iraq
Belarus	Kyrgyzstan
Burma	Lebanon
Cambodia	Libya
Central Africa Republic	Nicaragua
China	North Korea
Cuba	Russia
Cyprus	Somalia
Democratic Republic of the Congo	South Sudan
Eritrea	Sudan
Ethiopia	Syria
Haiti	Venezuela
Iran	Zimbabwe

¹ This list is maintained by the United States Department of State; any changes in the list will be reflected online at https://www.pmddtc.state.gov/ddtc_public?id=ddtc_public_portal_country_landing.

Attachment 4

INFORMATION CLASSIFICATION AND HANDLING STANDARD: SUMMARY FOR HANDLING PRINTED INFORMATION¹

PRINTED	RESTRICTED-CONTROLLED FR ⁶	RESTRICTED FR ⁷	Sensitive Personally Identifiable Information (Sensitive PII)	Internal FR/Official Use ⁸ (including Non-Sensitive PII)
MP-2 Access	A list of the specific FR Staff authorized to access the information must be prepared & attached to the document(s) or centrally maintained by an authorized authority	Authorized and need to know for official business purposes and limited to as few people as possible.	Share only as provided in the Board's Policy for Handling Personally Identifiable Information policy and limited to as few people as possible	Authorized & need to know for official business purposes. PII may be shared with a FRS employee or Board contractor if authorized by the Board employee's supervisor or the employee's position
MP-2 Duplication	Not recommended. If necessary, each copy must have a unique identifier	Limited to need to know	Limited to need to know	Limited to need to know
MP-3 Labeling	"RESTRICTED-CONTROLLED FR" at the top of every page. Numbered using the "x of y" numbering or consecutively numbered w/ the final page labeled "last page"	"RESTRICTED FR" at the top of every page. Numbered using the "x of y" numbering or consecutively numbered w/ the final page labeled "last page"	"Sensitive Personally Identifiable Information" at the top of every page. All pages must be consecutively numbered	"INTERNAL FR/OFFICIAL USE" at the top of the first page. All pages must be consecutively numbered
MP-3 Coversheet	RESTRICTED-CONTROLLED FR blue coversheet	RESTRICTED FR pink coversheet	Sensitive Personally Identifiable Information green coversheet	No coversheet
MP-4 Storage	1 of the following physical controls: locked desk drawer, file cabinet or office	1 of the following physical controls: locked desk drawer, file cabinet or office	1 of the following physical controls: locked desk drawer, file cabinet or office	Stored in a secure location
MP-5 Transport: Internal	Hand-delivered or placed within two sealed envelopes. The innermost envelope labeled as "RESTRICTED-CONTROLLED FR."	Hand-delivered or placed within a sealed envelope	Hand-delivered or placed within a sealed envelope	No special requirements
MP-5 Transport: External	Two sealed envelopes and sent via Registered Mail (or equivalent service) providing delivery tracking & confirmation. Sender must maintain a list of specific items containing Restricted-Controlled FR that were shipped	Two sealed envelopes and sent via Registered Mail (or equivalent service) providing delivery tracking & confirmation.	2 sealed envelopes & sent via Registered Mail providing delivery tracking & confirmation. Sender must maintain a list of specific items containing Sensitive PII that were shipped. When tracking is not used, the transmitter must use compensating controls to the extent possible.	Placed within a sealed envelope
MP-5 Transport: Fax	Sent via encrypted fax machine and confirm receipt	Sent via encrypted fax machine and confirm receipt	Sent via encrypted fax machine & confirm receipt. When using non-secure fax, the transmitter must use compensating controls to the extent possible.	No special requirements

⁶ FOMC Documents are labeled *Class I FOMC- Restricted Controlled (FR)*

⁷ FOMC Documents are labeled *Class II FOMC – Restricted (FR)*

⁸ FOMC Documents are labeled *Class III FOMC – Internal FR/Official Use*

¹ This summary for handling printed information is from Attachment 2-A of the Federal Reserve Board's "Information Classification and Handling Standard" document.

MP-6 Sanitization & Disposal	Physically destroyed (e.g., paper shredders or approved secure document receptacles)	Physically destroyed (e.g., paper shredders or approved secure document receptacles)	Physically destroyed (e.g., paper shredders or approved secure document receptacles)	Physically destroyed (e.g., paper shredders)
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INFORMATION CLASSIFICATION AND HANDLING STANDARD: SUMMARY FOR HANDLING DIGITAL INFORMATION²

DIGITAL	RESTRICTED-CONTROLLED FR ⁹	RESTRICTED FR ¹⁰	Sensitive Personally Identifiable Information (Sensitive PII)	Internal FR/Official Use ¹¹ (including Non-sensitive PII)
MP-2 Access	A list of the specific FR Staff authorized to access the information must be prepared & attached to the media or centrally maintained by an authorized authority.	Authorized and need to know for official business purposes and limited to as few people as possible.	Share only as provided in the Board's Policy for Handling Personally Identifiable Information policy and limited to as few people as possible	Authorized & need to know for official business purposes. PII may be shared with a FRS employee or Board contractor if authorized by the Board employee's supervisor or the employee's position
MP-2 Duplication	Not recommended. If necessary, each copy must have a unique identifier	Limited to need to know	Limited to need to know	Limited to need to know
MP-3 Labeling	RESTRICTED-CONTROLLED FR label must be provided when the information is accessed or displayed. Label Removable media "RESTRICTED-CONTROLLED FR"	RESTRICTED FR label must be provided when the information is accessed or displayed. Label Removable media "RESTRICTED FR"	Sensitive Personally Identifiable Information label must be provided when the information is accessed or displayed. Label Removable media "Sensitive Personally Identifiable Information"	Removable media labeled as "INTERNAL FR/OFFICIAL USE"
MP-4 Storage	1 of the following physical controls: locked desk drawer, file cabinet or office. Store only on Board or Trusted Third Party owned media that is encrypted using an encryption module that is FIPS-140-2 certified.	1 of the following physical controls: locked desk drawer, file cabinet or office. Store only on Board or Trusted Third Party owned media that is encrypted using an encryption module that is FIPS-140-2 certified.	1 of the following physical controls: locked desk drawer, file cabinet or office. Sensitive PII stored on portable media must be encrypted. Store only on Board or Trusted Third Party owned media that is encrypted using an encryption module that is FIPS-140-2 certified.	Store in a secure location. Store only on Board or FRS owned media.

⁹ FOMC Digital Information, including E-mail is labeled *Class I FOMC - Restricted Controlled (FR)*

¹⁰ FOMC Digital Information, including E-mail is labeled *Class II FOMC – Restricted (FR)*

¹¹ FOMC Digital Information, including E-mail is labeled *Class III FOMC – Internal FR/Official Use*

² This summary for handling digital information is from Attachment 2-B of the Federal Reserve Board's "Information Classification and Handling Standard" document.

DIGITAL	RESTRICTED-CONTROLLED FR ⁹	RESTRICTED FR ¹⁰	Sensitive Personally Identifiable Information (Sensitive PII)	Internal FR/Official Use ¹¹ (including Non-sensitive PII)
MP-5 Transport: Internal	Transport on Board or Trusted Third Party owned encrypted portable media that is encrypted using an encryption module that is FIPS-140-2 certified and hand-deliver or place in 2 sealed envelopes. Innermost envelope labeled RESTRICTED-CONTROLLED FR	Transport on Board or Trusted Third Party owned encrypted portable media that is encrypted using an encryption module that is FIPS-140-2 certified and hand-deliver or place in a sealed envelope	Transport on Board or Third Party owned encrypted portable media that is encrypted using an encryption module that is FIPS-140-2 certified and hand-deliver or place in a sealed envelope	Transport only on Board or FRS owned media
MP-5 Transport: External	Transport on Board or Trusted Third Party owned encrypted removable media that is encrypted using an encryption module that is FIPS-140-2 certified in 2 sealed envelopes and sent via Registered Mail providing delivery tracking & confirmation. Sender must maintain a list of specific items containing Restricted-Controlled FR that were shipped	Transport on Board or Trusted Third Party owned encrypted removable media that is encrypted using an encryption module that is FIPS-140-2 certified in 2 sealed envelopes and sent via Registered Mail (or equivalent service) providing delivery tracking & confirmation.	Transport on Board or FRS owned encrypted removable media that is encrypted using an encryption module that is FIPS-140-2 certified in 2 sealed envelopes and sent via Registered Mail providing delivery tracking & confirmation. Sender must maintain a list of specific items that were shipped. When tracking is not used, the transmitter must use compensating controls to the extent possible.	Placed within a sealed envelope. Transport only on Board or FRS owned media.
MP-5 Transport: E-mail	Internal Recipients: Use "FRS Only" category (Reserve Bank users sending Class I FOMC information use the FOMC Classification) External Recipients: Encrypt using Board approved encryption technologies. Use "Secure External" category. Class I FOMC must not be sent outside the FRS.	Internal Recipients: Use "FRS Only" category. (Reserve Bank users sending Class II FOMC information use the FOMC Classification) External Recipients: Encrypt using Board approved encryption technologies Use "Secure External" category. Class II FOMC must not be sent outside the FRS.	Internal Recipients: Use "FRS Only" category External Recipients: Encrypt using Board approved encryption technologies unless the person the information concerns specifically authorizes the unencrypted e-mail communication. Using unencrypted e-mail requires the transmitter to use compensating controls. Use "Secure External" category	Internal Recipients: Use "FRS Only" category External: Use "Unsecured External" category
MP-6 Sanitization & Disposal	Follow the Media Sanitation and Disposal Policy & Procedures	Follow the Media Sanitation and Disposal Policy & Procedures	Follow the Media Sanitation and Disposal Policy & Procedures	Follow the Media Sanitation and Disposal Policy & Procedures

FOMC Authorizations and Continuing Directives for Open Market Operations

As reaffirmed effective January 28, 2025

CONTENTS

- I. Authorization For Domestic Open Market Operations
- II. Continuing Directive For Domestic Open Market Operations
- III. Authorization For Foreign Currency Operations
- IV. Continuing Directive For Foreign Currency Operations
- V. Temporary Authorization To Operate System Open Market Account
- VI. Authorization For Certain Actions By Federal Reserve Banks During An Emergency

I. AUTHORIZATION FOR DOMESTIC OPEN MARKET OPERATIONS

OPEN MARKET TRANSACTIONS

1. The Federal Open Market Committee (the “Committee”) authorizes the Federal Reserve Bank selected by the Committee to execute open market transactions (the “Selected Bank”), to the extent necessary to carry out directives adopted by the Committee:

A. To buy or sell in the open market securities that are direct obligations of, or fully guaranteed as to principal and interest by, the United States, and securities that are direct obligations of, or fully guaranteed as to principal and interest by, any agency of the United States, that are eligible for purchase or sale under Section 14(b) of the Federal Reserve Act (“Eligible Securities”) for the System Open Market Account (“SOMA”):

- i. As an outright operation with securities dealers and foreign and international accounts maintained at the Selected Bank: on a same-day or deferred delivery basis (including such transactions as are commonly referred to as dollar rolls and coupon swaps) at market prices; or
- ii. As a temporary operation: on a same-day or deferred delivery basis, to purchase such Eligible Securities subject to an agreement to resell (“repurchase agreement transactions”) or to sell such Eligible Securities subject to an agreement to repurchase (“reverse repurchase agreement transactions”) for a term of 65 business days or less, at rates that, unless otherwise authorized by

the Committee, are determined by competitive bidding, after applying reasonable limitations on the volume of agreements with individual counterparties;

- B. To allow Eligible Securities in the SOMA to mature without replacement;
- C. To exchange, at market prices, in connection with an auction by the U.S. Department of the Treasury (the “U.S. Treasury”), maturing Eligible Securities in the SOMA with the Treasury, in the case of Eligible Securities that are direct obligations of the United States or that are fully guaranteed as to principal and interest by the United States; and
- D. To exchange, at market prices, maturing Eligible Securities in the SOMA with an agency of the United States, in the case of Eligible Securities that are direct obligations of that agency or that are fully guaranteed as to principal and interest by that agency.

SECURITIES LENDING

- 2. In order to ensure the effective conduct of open market operations, the Committee authorizes the Selected Bank to operate a program to lend Eligible Securities held in the SOMA to dealers.

TRANSACTIONS WITH CUSTOMER ACCOUNTS

- 3. In order to ensure the effective conduct of open market operations, while assisting in the provision of short-term investments or other authorized services for foreign central bank and international accounts maintained at a Federal Reserve Bank (the “Foreign Accounts”) and accounts maintained at a Federal Reserve Bank as fiscal agent of the United States pursuant to section 15 of the Federal Reserve Act (together with the Foreign Accounts, the “Customer Accounts”), the Committee authorizes the following when undertaken on terms comparable to those available in the open market:

- A. The Selected Bank, for the SOMA, to:
 - i. Undertake reverse repurchase agreement transactions in Eligible Securities held in the SOMA with the Customer Accounts for a term of 65 business days or less; and
 - ii. Undertake repurchase agreement transactions in Eligible Securities with Foreign Accounts; and
- B. Any Federal Reserve Bank that maintains Customer Accounts, for any such Customer Account, when appropriate and subject to all other necessary authorization and approvals, to:
 - i. Undertake repurchase agreement transactions in Eligible Securities with dealers with a corresponding reverse repurchase agreement transaction in such Eligible Securities with the Customer Accounts; and
 - ii. Undertake intra-day repurchase agreement transactions in Eligible Securities with Foreign Accounts.

Transactions undertaken with Customer Accounts under the provisions of this paragraph 3 may provide for a service fee when appropriate. Transactions undertaken with Customer Accounts are also subject to the authorization or approval of other entities, including the Board of Governors of the Federal Reserve System and, when involving accounts maintained at a Federal Reserve Bank as fiscal agent of the United States, the U.S. Treasury.

ADDITIONAL MATTERS

4. The Committee authorizes the Chair of the Committee, in fostering the Committee's objectives during any period between meetings of the Committee, to instruct the Selected Bank to act on behalf of the Committee to:

- A. Adjust somewhat in exceptional circumstances the stance of monetary policy and to take actions that may result in material changes in the composition and size of the assets in the SOMA; or
- B. Undertake transactions with respect to Eligible Securities in order to appropriately address temporary disruptions of an operational or highly unusual nature in U.S. dollar funding markets.

Any such adjustment described in subparagraph A of this paragraph 4 shall be made in the context of the Committee's discussion and decision about the stance of policy at its most recent meeting and the Committee's long-run objectives to foster maximum employment and price stability, and shall be based on economic, financial, and monetary developments since the most recent meeting of the Committee. The Chair, whenever feasible, will consult with the Committee before making any instruction under this paragraph 4.

II. CONTINUING DIRECTIVE FOR DOMESTIC OPEN MARKET OPERATIONS

The Committee directs the Open Market Desk at the Selected Bank (“the Desk”), to conduct transactions subject to the terms of the directives adopted by the Committee, and in accordance with the provisions of the Authorization for Domestic Open Market Operations and the risk management framework established by the Selected Bank.

Standing Overnight Repurchase Agreement Operations¹

1. The Committee directs the Desk to conduct operations, for the SOMA in which it offers to purchase securities, subject to an agreement to resell. The repurchase agreement transactions hereby directed shall (i) include only U.S. Treasury securities, agency debt securities, and agency mortgage-backed securities; (ii) be conducted as open market operations with primary dealers and depository institutions as participants; (iii) be conducted with a minimum bid rate set at a level directed by the Committee; (iv) be offered on an overnight basis²; and (v) be subject to an aggregate operation limit set by the Committee. The aggregate operation limit can be temporarily increased at the discretion of the Chair.

Standing Overnight Reverse Repurchase Agreement Operations³

2. The Committee directs the Desk to conduct operations, for the SOMA, in which it offers reverse repurchase agreement transactions. The reverse repurchase agreement transactions hereby directed shall (i) include only U.S. Treasury securities; (ii) be conducted with appropriate counterparties; (iii) be conducted at an offering rate set by the Committee; (iv) be offered on an overnight basis; and (v) be subject to a per-counterparty limit set by the Committee. The per-counterparty limit can be temporarily increased at the discretion of the Chair.

Standing FIMA Repurchase Agreement Operations⁴

3. The Committee directs the Desk to offer to purchase securities, for the SOMA, subject to an agreement to resell with Foreign Accounts. The repurchase agreement transactions hereby directed shall (i) include only U.S. Treasury securities; (ii) be conducted with Foreign Accounts approved in advance by the Foreign Currency Subcommittee (the “Subcommittee”); (iii) be conducted at an offering rate equal to the minimum bid rate for Standing Overnight Repurchase Agreement Operations for an overnight term, or at a rate equal to the rate on overnight index swaps of a weekly maturity plus

¹ The offering of transactions directed in this paragraph may be referred to as the “Standing Repurchase Agreement Facility.”

² For any transactions described in any authorizations or directives of the Committee, the Desk may extend the term to accommodate weekend, holiday, and similar trading conventions.

³ The offering of transactions directed in this paragraph may be referred to as the “Standing Overnight Reverse Repurchase Agreement Facility.”

⁴ FIMA refers to Foreign and International Monetary Authorities. The offering of transactions directed in this paragraph may be referred to as the “Standing FIMA Repurchase Agreement Facility.”

25 basis points for a seven day term, unless the Subcommittee establishes a different offering rate; (iv) be offered on an overnight basis or a term of seven calendar days; and (v) be subject to a total outstanding per-counterparty limit of \$60 billion at any given time. The Subcommittee may approve changes in the offering rate, the maturity of the transactions, eligible Foreign Accounts counterparties (either by approving or removing account access), and the counter-party limit; and the Subcommittee shall keep the Committee informed of any such changes. The Desk will also report at least annually to the Committee on operations directed in this paragraph and on the list of approved account holders.

FIMA Reverse Repurchase Agreement Operations⁵

4. The Committee directs the Desk to offer, for the SOMA, reverse repurchase agreement transactions to Customer Accounts, as appropriate. The reverse repurchase agreement transactions hereby directed shall (i) include only Eligible Securities held in the SOMA; (ii) be conducted with Customer Accounts; (iii) be conducted with terms comparable to those available in the open market; (iv) be offered for a term of 65 business days or less.

Daylight Repurchase Agreements

5. The Committee directs the Desk to undertake intra-day repurchase agreement transactions in Eligible Securities with Foreign Accounts, as appropriate.

Securities Lending

6. The Committee directs the Desk to operate a program to lend Eligible Securities, as appropriate. Such securities lending shall (i) permit acceptance of U.S. Treasury securities or cash as collateral for any loan of securities undertaken pursuant to this paragraph, and permit acceptance of agency securities as collateral only for a loan of agency securities undertaken pursuant to this paragraph; (ii) be conducted with dealers; (iii) be conducted at rates determined by competitive bidding, with a minimum lending fee consistent with the objectives of the program; (iv) be offered on an overnight basis; (v) be subject to (a) reasonable limitations on the total amount of a specific issue of Eligible Securities that may be auctioned; and (b) reasonable limitations on the amount of Eligible Securities that each borrower may borrow. The Desk may reject bids that, as determined in its sole discretion, could facilitate a bidder's ability to control a single issue.

Operational Readiness Testing

7. The Committee directs the Desk to undertake transactions of the type described in paragraphs I.1 and I.2 from time to time, as appropriate, for the purpose of testing operational readiness. The

⁵ The offering of transactions directed in this paragraph may be referred to as the "Foreign Repo Pool."

aggregate par value of the transactions directed in this paragraph 7 that are of the type described in paragraphs I.1.A.i, I.1.B, I.1.C and I.1.D shall not exceed \$5 billion per calendar year, and the outstanding amount of the transactions of the type described in paragraphs I.1.A.ii and I.2 shall not exceed \$5 billion at any given time. All transactions directed in this paragraph 7 shall be conducted with prior notice to the Committee.

III. AUTHORIZATION FOR FOREIGN CURRENCY OPERATIONS

IN GENERAL

1. The Committee authorizes the Selected Bank to execute open market transactions for the SOMA as provided in this Authorization for Foreign Currency Operations (the “Foreign Authorization”), to the extent necessary to carry out any foreign currency directive of the Committee:

A. To purchase and sell foreign currencies (also known as cable transfers) at home and abroad in the open market, including with the U.S. Treasury, with foreign monetary authorities, with the Bank for International Settlements, and with other entities in the open market. This authorization to purchase and sell foreign currencies encompasses purchases and sales through standalone spot or forward transactions and through foreign exchange swap transactions. For purposes of this Foreign Authorization, foreign exchange swap transactions are: swap transactions with the U.S. Treasury (also known as warehousing transactions), swap transactions with other central banks under reciprocal currency arrangements, swap transactions with other central banks under standing dollar liquidity and foreign currency liquidity swap arrangements, and swap transactions with other entities in the open market.

B. To hold balances of, and to have outstanding forward contracts to receive or to deliver, foreign currencies.

2. All transactions in foreign currencies undertaken pursuant to paragraph 1 above shall, unless otherwise authorized by the Committee, be conducted:

A. In a manner consistent with the obligations regarding exchange arrangements under Article IV of the Articles of Agreement of the International Monetary Fund (IMF).⁶

B. In close and continuous cooperation and consultation, as appropriate, with the U.S. Treasury.

C. In consultation, as appropriate, with foreign monetary authorities, foreign central banks, and international monetary institutions.

D. At prevailing market rates.

⁶ In general, as specified in Article IV, each member of the IMF undertakes to collaborate with the IMF and other members to assure orderly exchange arrangements and to promote a stable system of exchange rates. These obligations include seeking to direct the member’s economic and financial policies toward the objective of fostering orderly economic growth with reasonable price stability. These obligations also include avoiding manipulating exchange rates or the international monetary system in such a way that would impede effective balance of payments adjustment or to give an unfair competitive advantage over other members.

STANDALONE SPOT AND FORWARD TRANSACTIONS

3. For any operation that involves standalone spot or forward transactions in foreign currencies:

A. Approval of such operation is required as follows:

i. The Committee must direct the Selected Bank in advance to execute the operation if it would result in the overall volume of standalone spot and forward transactions in foreign currencies, as defined in paragraph 3.C of this Foreign Authorization, exceeding \$5 billion since the close of the most recent regular meeting of the Committee. The Subcommittee must direct the Selected Bank in advance to execute the operation if the Subcommittee believes that consultation with the Committee is not feasible in the time available.

ii. The Committee authorizes the Subcommittee to direct the Selected Bank in advance to execute the operation if it would result in the overall volume of standalone spot and forward transactions in foreign currencies, as defined in paragraph 3.C of this Foreign Authorization, totaling \$5 billion or less since the close of the most recent regular meeting of the Committee.

B. Such an operation also shall be:

i. Generally directed at countering disorderly market conditions; or

ii. Undertaken to adjust System balances in light of probable future needs for currencies; or

iii. Conducted for such other purposes as may be determined by the Committee.

C. For purposes of this Foreign Authorization, the overall volume of standalone spot and forward transactions in foreign currencies is defined as the sum (disregarding signs) of the dollar values of individual foreign currencies purchased and sold, valued at the time of the transaction.

WAREHOUSING

4. The Committee authorizes the Selected Bank, with the prior approval of the Subcommittee and at the request of the U.S. Treasury, to conduct swap transactions with the United States Exchange Stabilization Fund established by section 10 of the Gold Reserve Act of 1934 under agreements in which the Selected Bank purchases foreign currencies from the Exchange Stabilization Fund and the Exchange Stabilization Fund repurchases the foreign currencies from the Selected Bank at a later date (such purchases and sales also known as warehousing).

RECIPROCAL CURRENCY ARRANGEMENT AND STANDING DOLLAR AND FOREIGN CURRENCY LIQUIDITY SWAPS

5. The Committee authorizes the Selected Bank to maintain reciprocal currency arrangements established under the North American Framework Agreement, standing dollar liquidity swap arrangements, temporary dollar liquidity swap arrangements, and standing foreign currency liquidity swap arrangements as provided in this Foreign Authorization and to the extent necessary to carry out any foreign currency directive of the Committee.

- A. For reciprocal currency arrangements all drawings must be approved in advance by the Committee (or by the Subcommittee, if the Subcommittee believes that consultation with the Committee is not feasible in the time available).
- B. For standing and temporary dollar liquidity swap arrangements all drawings must be approved in advance by the Chair. The Chair may approve a schedule of potential drawings, and may delegate to the manager of the SOMA the authority to approve individual drawings that occur according to the schedule approved by the Chair.
- C. For standing foreign currency liquidity swap arrangements all drawings must be approved in advance by the Committee (or by the Subcommittee, if the Subcommittee believes that consultation with the Committee is not feasible in the time available).
- D. Operations involving standing and temporary dollar liquidity swap arrangements and standing foreign currency liquidity swap arrangements shall generally be directed at countering strains in financial markets in the United States or abroad, or reducing the risk that they could emerge, so as to mitigate their effects on economic and financial conditions in the United States.
- E. For reciprocal currency arrangements, standing and temporary dollar liquidity swap arrangements, and standing foreign currency liquidity swap arrangements:
 - i. All arrangements are subject to annual review and approval by the Committee;
 - ii. Any new arrangements must be approved by the Committee; and
 - iii. Any changes in the terms of existing arrangements must be approved in advance by the Chair. The Chair shall keep the Committee informed of any changes in terms, and the terms shall be consistent with principles discussed with and guidance provided by the Committee.

OTHER OPERATIONS IN FOREIGN CURRENCY

6. Any other operations in foreign currencies for which governance is not otherwise specified in this Foreign Authorization (such as foreign exchange swap transactions with private-sector counterparties) must be authorized and directed in advance by the Committee.

FOREIGN CURRENCY HOLDINGS

7. The Committee authorizes the Selected Bank to hold foreign currencies for the SOMA in accounts maintained at foreign central banks, the Bank for International Settlements, and such other foreign institutions as approved by the Board of Governors under Section 214.5 of Regulation N, to the extent necessary to carry out any foreign currency directive of the Committee.

A. The Selected Bank shall manage all holdings of foreign currencies for the SOMA:

- i. Primarily, to ensure sufficient liquidity to enable the Selected Bank to conduct foreign currency operations as directed by the Committee;
- ii. Secondly, to maintain a high degree of safety;
- iii. Subject to paragraphs 7.A.i and 7.A.ii, to provide the highest rate of return possible in each currency; and
- iv. To achieve such other objectives as may be authorized by the Committee.

B. The Selected Bank may manage such foreign currency holdings by:

- i. Purchasing and selling obligations of, or fully guaranteed as to principal and interest by, a foreign government or agency thereof ("Permitted Foreign Securities") through outright purchases and sales;
- ii. Purchasing Permitted Foreign Securities under agreements for repurchase of such Permitted Foreign Securities and selling such securities under agreements for the resale of such securities; and
- iii. Managing in various time and other deposit accounts at foreign institutions approved by the Board of Governors under Regulation N.

C. The Subcommittee, in consultation with the Committee, may provide additional instructions to the Selected Bank regarding holdings of foreign currencies.

ADDITIONAL MATTERS

8. The Committee authorizes the Chair:

- A. With the prior approval of the Committee, to enter into any needed agreement or understanding with the Secretary of the U.S. Treasury about the division of responsibility for foreign currency operations between the System and the U.S. Treasury;
- B. To advise the Secretary of the U.S. Treasury concerning System foreign currency operations, and to consult with the Secretary on policy matters relating to foreign currency operations;
- C. To designate Federal Reserve System persons authorized to communicate with the U.S. Treasury concerning the SOMA foreign currency operations; and
- D. From time to time, to transmit appropriate reports and information to the National Advisory Council on International Monetary and Financial Policies.

9. The Committee authorizes the Selected Bank to undertake transactions of the type described in this Foreign Authorization, and foreign exchange and investment transactions that it may be otherwise authorized to undertake, from time to time for the purpose of testing operational readiness. The aggregate amount of such transactions shall not exceed \$2.5 billion per calendar year. These transactions shall be conducted with prior notice to the Committee.

10. All Federal Reserve banks shall participate in the foreign currency operations for the SOMA in accordance with paragraph 3G(1) of the Board of Governors' Statement of Procedure with Respect to Foreign Relationships of Federal Reserve Banks dated January 1, 1944.

11. Any authority of the Subcommittee pursuant to this Foreign Authorization may be exercised by the Chair if the Chair believes that consultation with the Subcommittee is not feasible in the time available. The Chair shall promptly report to the Subcommittee any action approved by the Chair pursuant to this paragraph.

12. The Committee authorizes the Chair, in exceptional circumstances where it would not be feasible to convene the Committee, to foster the Committee's objectives by instructing the Selected Bank to engage in foreign currency operations not otherwise authorized pursuant to this Foreign Authorization. Any such action shall be made in the context of the Committee's discussion and decisions regarding foreign currency operations. The Chair, whenever feasible, will consult with the Committee before making any instruction under this paragraph.

IV. CONTINUING DIRECTIVE FOR FOREIGN CURRENCY OPERATIONS

1. The Committee directs the Desk to conduct transactions subject to the terms of the directives adopted by the Committee, and in accordance with the provisions of the Foreign Authorization and the risk management framework established by the Selected Bank.

2. The Committee directs the Desk to execute warehousing transactions, if so requested by the U.S. Treasury and if approved by the Subcommittee, subject to the limitation that the outstanding balance of United States dollars provided to the U.S. Treasury as a result of these transactions not at any time exceed \$5 billion.

3. The Committee directs the Desk to maintain, for the SOMA:

A. Reciprocal currency arrangements with the following foreign central banks:

Foreign central bank	Maximum amount (millions of dollars or equivalent)
Bank of Canada	2,000
Bank of Mexico	3,000

B. Standing dollar liquidity swap arrangements with the following foreign central banks:

Bank of Canada
Bank of England
Bank of Japan
European Central Bank
Swiss National Bank

C. Standing foreign currency liquidity swap arrangements with the following foreign central banks:

Bank of Canada
Bank of England
Bank of Japan
European Central Bank
Swiss National Bank

4. The Committee directs the Desk to hold and to invest foreign currencies in the portfolio in accordance with the provisions of paragraph 7 of the Foreign Authorization.

5. The Committee directs the Desk to report to the Committee, at each regular meeting of the Committee, on transactions undertaken pursuant to paragraphs 1 and 6 of the Foreign Authorization. The Desk is also directed to provide quarterly reports to the Committee regarding the management of the foreign currency holdings pursuant to paragraph 7 of the Foreign Authorization.

6. The Committee directs the Desk to conduct testing of transactions for the purpose of operational readiness in accordance with the provisions of paragraph 9 of the Foreign Authorization.

V. TEMPORARY AUTHORIZATION TO OPERATE SYSTEM OPEN MARKET ACCOUNT

The Chair of the Committee is authorized to appoint a Federal Reserve Bank as agent to operate the SOMA temporarily in case the Selected Bank is unable to function. In the event the Chair exercises such authority, the Chair also is authorized to appoint a Federal Reserve official to act temporarily as manager of the SOMA.

VI. AUTHORIZATION FOR CERTAIN ACTIONS BY FEDERAL RESERVE BANKS DURING AN EMERGENCY

The Committee hereby authorizes each Federal Reserve Bank to take any or all of the actions set forth below during and following a national security emergency when such Federal Reserve Bank finds itself unable after reasonable efforts to be in communication with the Committee or when the Committee is unable to function. Action(s) under this authorization will be taken by a Federal Reserve Bank only after reasonable efforts have been made to consult with the Chair of the Committee or if the latter is not available with the Vice Chair of the Committee or if both the Chair and the Vice Chair are not available, with whatever member of the Board of Governors may be available to serve as Acting Chair as provided for by the Committee's Rules of Organization. In addition, to the extent feasible, the action(s) should be coordinated with other Federal Reserve Banks with which the Federal Reserve Bank is able to communicate.

(1) Whenever it deems it necessary in the light of economic conditions and the general credit situation then prevailing (after taking into account the possibility of providing necessary credit through advances secured by direct obligations of the United States under the last paragraph of section 13 of the Federal Reserve Act), such Federal Reserve Bank may purchase and sell obligations of the United States for its own account, either outright or under repurchase agreement, from and to banks, dealers, or other holders of such obligations.

(2) Such Federal Reserve Banks may engage in operations of the types specified in the Committee's Foreign Authorization when requested to do so by an authorized official of the U.S. Treasury; provided, however, that such Federal Reserve Bank shall take all steps practicable at the time to ensure as far as possible that, in light of the information available on other System foreign-currency operations, its own operations do not result in the aggregate in breaching any of the several dollar limits specified in the Foreign Authorization.

Authority to take the actions set forth shall be effective only until such time as the Federal Reserve Bank is able again to establish communications with the Committee, and such Committee is then functioning.