

FEDERAL RESERVE SYSTEM

Docket No. OP-1788

Guidelines for Evaluating Account and Services Requests

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) is withdrawing proposed amendments to its Guidelines for Evaluating Account and Services Requests (Account Access Guidelines) that would have required the Federal Reserve Banks (Reserve Banks) to publish a periodic list of depository institutions with access to Reserve Bank accounts and/or financial services. Because a new Section 11C of the Federal Reserve Act (the Act) was recently enacted that requires disclosures substantially similar to those in the Board's proposal, the Board believes finalizing the proposed amendments to its Account Access Guidelines is unnecessary.

DATES: The Board is withdrawing the proposal published November 16, 2022 (87 FR 68691) as of June 16, 2023.

FOR FURTHER INFORMATION CONTACT:

Jason Hinkle, Assistant Director (202-912-7805), Division of Reserve Bank Operations and Payment Systems; or Corinne Milliken Van Ness, Senior Counsel (202-452- 2421) or Gavin Smith, Senior Counsel (202-452-3474); for users of TTY-TRS, please call 711

from any telephone, anywhere in the United States; Board of Governors of the Federal Reserve System, 20th and C Streets NW, Washington, DC 20551.

SUPPLEMENTARY INFORMATION:

I. Background

A. Board's Proposed Amendments to the Account Access Guidelines

On November 16, 2022, the Board published proposed amendments to its Account Access Guidelines that would have required disclosure of institutions with access to Reserve Bank accounts and/or financial services (accounts and services).¹ This information historically has not been disclosed publicly. The development and publication of the Account Access Guidelines, however, prompted the Board to consider the potential benefits of disclosing the names of institutions that have access to accounts and services.

The Board proposed for public comment a requirement for Reserve Banks to publish periodically a list of depository institutions with access to accounts and services, including whether each depository institution with access to accounts and services is federally insured and in which Reserve Bank district the depository institution is located. In addition, the Board proposed to have the Reserve Banks publish a list of depository

¹ See 87 FR 68691.

institutions that have, since the prior publication, received access to accounts and services or no longer have access to accounts and services.²

B. Subsequent Amendment to the Federal Reserve Act

Subsequent to the publication of the proposal, the James M. Inhofe National Defense Authorization Act for Fiscal Year 2023 amended the Act by adding a new Section 11C. New Section 11C of the Act requires the Board, not later than 180 days after December 23, 2022, to create and “maintain a public, online and searchable database” of entities that have, or that are requesting, account and service access, along with the status of any request for an account and services.³ For each entity that has, or is requesting access to, accounts and services, new Section 11C of the Act also requires the database to indicate if the entity is a federally insured bank or credit union or a non-federally insured depository institution.

II. Notice That the Board Will Not Adopt the Proposed Amendments to the Account Access Guidelines

The Board has determined that the disclosure requirements in the Act’s new Section 11C substantially supplant the Board’s proposal to incorporate a disclosure

² The Board proposed that the list of depository institutions that no longer have access to accounts and/or services would include both depository institutions that lost access to accounts and services and those that gave up their access to accounts and services voluntarily.

³ See 12 USC 248c. The new Section 11C excludes official accountholders from the list of entities published on the database and defines “Official accountholders” as foreign states (as defined in section 25B of the Act), central banks (as defined in section 25B of the Act) other than a commercial bank, public international organizations entitled to enjoy privileged examples and immunities as an international organization under the International Organizations Immunities Act (22 U.S.C. § 288 et seq.), and any governmental entity for which the Secretary of Treasury has directed a Reserve Bank to receive deposits as fiscal agent of the United States under section 15 of the Act.

requirement into the Account Access Guidelines. Therefore, the Board will not adopt its proposed amendments to the Account Access Guidelines.

By order of the Board of Governors of the Federal Reserve System.

Margaret McCloskey Shanks,
Deputy Secretary of the Board