

## **Supporting Statement for the Registration of a Securities Holding Company (FR 2082; OMB No. 7100-0347)**

### **Summary**

The Board of Governors of the Federal Reserve System (Board), under authority delegated by the Office of Management and Budget (OMB), proposes to extend for three years, without revision, the Registration of a Securities Holding Company (FR 2082; OMB No. 7100-0347). The FR 2082 registration form is used whenever a securities holding company (SHC) elects to register to become subject to supervision by the Board pursuant to section 618 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act).<sup>1</sup>

The estimated total annual burden for the FR 2082 is 8 hours. The form and instructions are available on the Board's public website at <https://www.federalreserve.gov/apps/reportforms/default.aspx>.

### **Background and Justification**

As defined in the Dodd-Frank Act, an SHC is a nonbank company that owns at least one registered securities broker or dealer and meets certain other criteria.<sup>2</sup> Pursuant to section 618 of the Dodd-Frank Act, an SHC that is required by a foreign regulator or a provision of foreign law to be subject to comprehensive consolidated supervision may register to be supervised by the Board, thereby becoming a supervised SHC.

Under section 618 of the Dodd-Frank Act, an SHC that elects to register to become a supervised SHC must submit a registration form that includes such information and documents the Board, by regulation, deems necessary or appropriate. In 2012, the Board promulgated Regulation OO, 12 CFR Part 241, to implement section 618 of the Dodd-Frank Act,<sup>3</sup> and implemented the FR 2082 as the required form for registration to become a supervised SHC.

### **Description of Information Collection**

Section 241.3(a)(1) of Regulation OO requires an SHC that elects to register to become a supervised SHC to file the appropriate registration form with the responsible Federal Reserve Bank. The FR 2082 requests the following from the registering SHC: an organization chart (including all subsidiaries); information regarding certain of the SHC's subsidiaries; shareholder reports and financial statements; information regarding the SHC's shareholders, senior officers and directors; information regarding the methods used by the SHC to monitor and control its operations; information regarding the SHC's foreign subsidiaries that are subject to comprehensive consolidated supervision and the regulatory system in which these foreign subsidiaries operate; and information regarding any other regulatory capital framework to which the SHC is subject. The information collected by the FR 2082 registration form is used by the Federal Reserve System to determine whether the registrant meets the requirements to become a

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<sup>1</sup> See Dodd-Frank Act, Public Law 111-203, 124 STAT. 1376 (2010).

<sup>2</sup> See 12 U.S.C. § 1850a(a)(4).

<sup>3</sup> See 77 FR 32881 (June 4, 2012).

supervised SHC and to complete the registration. This information is not available from any other sources.

### **Respondent Panel**

The FR 2082 panel comprises certain nonbank companies that own at least one registered securities broker or dealer which elect to become a supervised SHC.<sup>4</sup>

### **Time Schedule for Information Collection**

This information collection is event-generated. The FR 2082 form is filed on a one-time basis when an SHC elects to register as a supervised SHC. The registration becomes effective 45 calendar days after the date the Board receives all required information, or within such shorter period if the Board notifies the SHC in writing.

### **Public Availability of Data**

The Board does not routinely publicly release information collected through the FR 2082.

### **Legal Status**

The FR 2082 is authorized by section 618(b)(2)(A) of the Dodd-Frank Act, which requires companies that elect SHC status to register by filing with the Board such information and documents as the Board, by regulation, may prescribe. Submission of the FR 2082 is required to obtain a benefit.

The information provided on the FR 2082 form and in connection with an SHC's registration is generally considered public. Firms may request certain information provided in connection with the FR 2082 be kept confidential under exemptions of the Freedom of Information Act (FOIA) in accordance with the Board's Rules Regarding Availability of Information.<sup>5</sup> Confidential commercial or financial information that is both customarily and actually treated as private may be kept confidential under the FOIA exemption 4.<sup>6</sup> Personal and biographical information of individuals required as part of the registration may be treated as confidential under the FOIA exemption 6 if its disclosure "would constitute a clearly unwarranted invasion of personal privacy."<sup>7</sup>

### **Consultation Outside the Agency**

There has been no consultation outside the Federal Reserve System.

### **Public Comments**

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<sup>4</sup> See 12 CFR 241.2(a)(2) for a list of the types of companies that are not considered SHCs.

<sup>5</sup> 12 CFR 261.17.

<sup>6</sup> 12 U.S.C. § 552(b)(4).

<sup>7</sup> 12 U.S.C. § 552(b)(6).

On September 1, 2021, the Board published an initial notice in the *Federal Register* (86 FR 49029) requesting public comment for 60 days on the extension, without revision, of the FR 2082. The comment period for this notice expires on November 1, 2021.

## Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR 2082 is 8 hours. In the past three years, the Board has received few FR 2082 filings. Because most SHCs have already registered as supervised SHCs, have become bank holding companies, or are no longer operating, the Board expects that few, if any, SHCs will file the FR 2082 in the next three years.<sup>8</sup> In order to capture the burden associated with potential new SHCs that may elect to register as supervised SHCs, the Board estimates that one SHC will file the FR 2082 registration form each year. These reporting requirements represent less than one percent of the Board's total paperwork burden.

<b>FR 2082</b>	<i>Estimated number of respondents<sup>9</sup></i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Section 241.3(a)(1)	1	1	8	8

The estimated total annual cost to the public for this collection of information is \$473.<sup>10</sup>

## Sensitive Questions

These collections of information contain no questions of a sensitive nature, as defined by OMB guidelines.

<sup>8</sup> As discussed above, the Dodd-Frank Act requires that the Board permit SHCs to register as supervised SHCs. Therefore, the Board is required to maintain a collection of information relating to SHC registration, even if no SHCs are expected to register.

<sup>9</sup> Of these respondents required to comply with the information collection, none are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$600 million in total assets), <https://www.sba.gov/document/support--table-size-standards>.

<sup>10</sup> Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at \$20, 45% Financial Managers at \$73, 15% Lawyers at \$72, and 10% Chief Executives at \$95). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), Occupational Employment and Wages, May 2020, published March 31, 2021 <https://www.bls.gov/news.release/ocwage.t01.htm#>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.

**Estimate of Cost to the Federal Reserve System**

The estimated cost to the Federal Reserve System for collecting and processing this report is negligible.