

FEDERAL RESERVE SYSTEM

Agency information collection activities: Announcement of Board approval under delegated authority and submission to OMB

AGENCY: Board of Governors of the Federal Reserve System

SUMMARY: Notice is hereby given of the final approval of a proposed information collection by the Board of Governors of the Federal Reserve System (Board) under Office of Management and Budget (OMB) delegated authority. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the Paperwork Reduction Act Submission, supporting statement and approved collection of information instruments are placed into OMB's public docket files. The Federal Reserve may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

FOR FURTHER INFORMATION CONTACT: Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551 (202) 452-3829. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

OMB Desk Officer —Shagufta Ahmed— Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503.

Final approval under OMB delegated authority of the extension for three years, with revision, of the following information collection:

Report titles: The Complex Institution Liquidity Monitoring Report (FR 2052a) and the Liquidity Monitoring Report (FR 2052b).

Agency form numbers: FR 2052a and FR 2052b.

OMB control number: 7100-0361.

Frequency: FR 2052a: daily or monthly; FR 2052b: quarterly.

Respondents:

- FR 2052a: Bank holding companies and savings and loan holding companies subject to the liquidity coverage ratio (together, U.S. firms) with total assets of \$700 billion or more or with \$10 trillion or more in assets under custody; U.S. firms with total assets of less than \$700 billion and with assets under custody of less than \$10 trillion, but total assets of \$250 billion or more or foreign exposure of \$10 billion or more; U.S. firms with total assets of \$50 billion or more but total assets of less than \$250 billion and foreign

exposure of less than \$10 billion; Foreign banking organizations (FBOs) that are identified as LISCC firms; FBOs with U.S. assets of \$250 billion or more that are not identified as LISCC firms; and FBOs with U.S. assets of \$50 billion or more but U.S. assets less than \$250 billion that are not identified as LISCC firms.

- FR 2052b: U.S. bank holding companies (BHCs) not controlled by FBOs with total consolidated assets of \$10 billion or more but less than \$50 billion

Estimated annual reporting hours: FR 2052a: 714,480 hours; FR 2052b: 12,480 hours.¹

Estimated average hours per response: FR 2052a: ranges between 120 hours and 400 hours; FR 2052b: 60 hours.

Number of respondents: FR 2052a: 48; FR 2052b: 52.

General description of report: These reports are authorized pursuant to section 5 of the Bank Holding Company Act (12 U.S.C. 1844), section 8 of the International Banking Act (12 U.S.C. 3106) and section 165 of the Dodd-Frank Act (12 U.S.C. § 5365) and are mandatory, with voluntary early reporting on FR 2052a for U.S. firms with total consolidated assets of \$700 billion or more or with assets under custody of \$10 trillion or more, and FBOs identified as LISCC firms. Section 5(c) of the Bank Holding Company Act authorizes the Board to require BHCs to submit reports to the Board regarding their financial condition. Section 8(a) of the International Banking Act subjects FBOs to the provisions of the Bank Holding Company Act. Section 165 of the Dodd-Frank Act requires the Board to establish prudential standards for certain BHCs and FBOs; these standards include liquidity requirements. The individual financial institution information provided by each respondent will be accorded confidential treatment under exemption 8 of the Freedom of Information Act (5 U.S.C. 552(b)(8)). In addition, the institution information provided by each respondent will not be otherwise available to the public and is entitled to confidential treatment under the authority of exemption 4 of the Freedom of Information Act (5 U.S.C. 552(b)(4)), which protects from disclosure trade secrets and commercial or financial information.

Abstract: The FR 2052 reports are used to monitor the overall liquidity profile of institutions supervised by the Federal Reserve. These data provide detailed information on the liquidity risks within different business lines (e.g., financing of securities positions, prime brokerage activities). In particular, these data serve as part of the Federal Reserve's supervisory surveillance program in its liquidity risk management area and provide timely information on firm-specific liquidity risks during periods of stress. Analysis of systemic and idiosyncratic liquidity risk issues are then used to inform the Federal Reserve's supervisory processes, including the preparation of analytical reports that detail funding vulnerabilities. Additionally, FR 2052a will allow the Federal Reserve to monitor compliance with the liquidity coverage ratio.

Current Actions: On December 2, 2014, the Federal Reserve published a notice in the *Federal Register* (79 FR 71416) requesting public comment for 60 days on the extension, with revision, of the FR 2052a and FR 2052b. The comment period for this notice expired on February 2, 2015.

¹ With the proposed revisions, the paperwork burden for 2015 is estimated to initially decrease, then incrementally increase for 2016, 2017, and 2018, for an annual net increase of 266,480 hours.

The Federal Reserve received eight comment letters on the proposed revisions to the FR 2052 reports: two from trade associations, five from U.S. banking organizations, and one from an FBO. In addition, the Federal Reserve held several meetings with banks and trade associations. In general, the comments focused on scope of application, transition periods, timing of data submission, tailoring of the requirements to certain institutions, application to firms subject to the modified LCR, application to nonbank financial companies supervised by the Federal Reserve, availability of a template and mapping document, and other changes. The comments and responses are discussed in detail below. In addition, the Federal Reserve has revised the proposed reporting formats and instructions, as appropriate, in response to the technical comments received.

Detailed Discussion of Public Comments

Initially Proposed FR 2052a and FR 2052b Revisions

The Federal Reserve initially proposed to revise the FR 2052a report by: 1) modifying the firms that are required to respond, the applicable asset threshold, and frequency of reporting; 2) including a data structure that subdivides three general categories of inflows, outflows, and supplemental items into 10 distinct data tables; 3) requiring all U.S. firms with total assets of \$250 billion or more or foreign exposure of \$10 billion or more and all FBOs with total U.S. assets of \$50 billion or more to report liquidity profiles by major currency for each material entity of the reporting institution; 4) collecting more detail regarding securities financing transactions, wholesale unsecured funding, deposits, loans, unfunded commitments, collateral, derivatives, and foreign exchange transactions; and 5) changing the structure of the collection to an XML format from a spreadsheet format.

The Federal Reserve also initially proposed to revise the FR 2052b reporting panel by modifying the firms that are required to respond and the applicable threshold, and eliminating monthly reporting.

Initially Proposed Reporting Panel and Frequency of Submissions²

The scope of application, frequency, submission dates, and timing of submission that were initially proposed are shown in the following table.

² SLHCs not subject to the LCR would not have been subject to these reporting requirements. However, the initial proposal noted that through future rulemakings these institutions may be subject to some form of liquidity monitoring.

<i>Report Number</i>	<i>Reporter Description</i>	<i>Frequency</i>	<i>First As-of Date</i>	<i>First Submission Date</i> ³	<i>Timing of Submission</i>
FR 2052a	U.S. firms ⁴ with total assets ≥ \$700 billion or with assets under custody of ≥ \$10 trillion	Monthly	03/31/2015 ⁵	04/02/2015	T+2
		Daily	07/01/2015	07/03/2015	T+2
FR 2052a	U.S. firms with total assets < \$700 billion and with assets under custody of < \$10 trillion but, total assets ≥ \$250 billion or foreign exposure ≥ \$10 billion	Monthly	07/31/2015 ⁶	08/02/2015	T+2
		Daily	07/01/2016	07/03/2016	T+2
FR 2052a ⁷	U.S. firms with total assets ≥ \$50 billion but, total assets < \$250 billion and foreign exposure < \$10 billion	Monthly	01/31/2016	02/02/2016	T+2
FR 2052a	FBOs with U.S. assets ≥ \$50 billion and U.S. broker-dealer assets ≥ \$100 billion	Monthly	03/31/2015	04/02/2015	T+2
		Daily	07/01/2015	07/03/2015	T+2
FR 2052a	FBOs with U.S. assets ≥ \$50 billion and U.S. broker-dealer assets < \$100 billion	Monthly	01/31/2016	02/02/2016	T+2
		Monthly ⁸	07/31/2016	08/02/2016	T+2
FR 2052b ⁹	U.S. BHCs (not controlled by FBOs) with total consolidated assets of between \$10 billion and \$50 billion.	Quarterly	12/31/2014	01/15/2015	T+15

For purposes of the FR 2052 reports, a U.S. firm is a top-tier bank holding company (BHC), as that term is defined in section 2(a) of the Bank Holding Company Act (12 U.S.C.

³ For U.S. bank holidays and weekends, no positions would have been reported. For data that would have been reported by entities in international locations, if there were to be a local bank holiday, those entities would have submitted data using the data from the previous business day.

⁴ U.S. firms would have included nonbank financial companies that the Financial Stability Oversight Council has determined under section 113 of the Dodd-Frank (12 U.S.C. 5323) shall be supervised by the Federal Reserve and for which such determination is still in effect, where the Federal Reserve has applied the requirements of the liquidity coverage ratio to such company by rule or order.

⁵ These firms would have complied with the transitions set forth in the LCR, which requires an LCR calculation monthly starting in January 2015. However, these firms would not have needed to report on the FR 2052a until this reporting as-of date.

⁶ These firms would have complied with the transitions set forth in the LCR, which requires an LCR calculation monthly starting in January 2015. However, these firms would not have needed to report on the FR 2052a until this reporting as-of date.

1841(a)) and section 225.2(c) of the Federal Reserve's Regulation Y (12 CFR 225.2(c)), organized under the laws of the United States and excludes any bank holding company that is a subsidiary of a foreign banking organization (FBO). For the purposes of the FR 2052 reports, foreign banking organization has the same meaning as in section 211.21(o) of the Federal Reserve's Regulation K (12 CFR 211.21(o)) and includes any U.S. bank holding company that is a subsidiary of an FBO. The FR 2052b report only applies to U.S. BHCs with total consolidated assets of between \$10 billion and \$50 billion that are not controlled by FBOs.

Scope of Application

The Federal Reserve has modified the scope of application for the FR 2052a from the proposal, which is set forth in the table above. These changes will not add additional burden on any firm based on the proposed scope of application, and in some cases the changes may result in less burden. Regarding the changes, the Federal Reserve will accord U.S. firms and FBOs of similar size the same treatment because similarly situated firms should be treated in a similar manner. Second, the Federal Reserve will implement three categories of treatment for both U.S. firms and FBOs, according to the asset size of the firm and whether it has been identified as a LISCC firm.¹⁰ Firms in the first category, U.S. firms with total consolidated assets of \$700 billion or more or with assets under custody of \$10 trillion or more, and FBOs identified as LISCC firms, will be required to submit the FR 2052a daily. Firms in the second category will be U.S. firms with total assets less than \$700 billion and assets under custody less than \$10 trillion, but total assets greater than or equal to \$250 billion or foreign exposure greater than or equal to \$10 billion, and FBOs with U.S. assets greater than or equal to \$250 billion that have not been identified as LISCC firms. Firms in the second category will be required to submit the FR 2052a monthly. Firms in the third category will be U.S. firms with total assets less than \$250 billion and foreign exposure less than \$10 billion, but total assets greater than or equal to \$50 billion, and FBOs with U.S. assets greater than or equal to \$50 billion but less than \$250 billion that are not identified as LISCC firms. Firms in the third category will be required to submit the FR 2052a monthly and will be granted additional time to submit the report.

As discussed further below, nonbank financial companies designated by the Financial Stability Oversight Council (FSOC) are not included in the reporting panel for the FR 2052a.

⁷ The frequency of the FR 2052a monthly report could have been temporarily adjusted to daily on a case-by-case basis as market conditions and supervisory needs changed to carry out effective continuous liquidity monitoring. The Federal Reserve anticipated frequency adjustments to be a rare occurrence.

⁸ These FBOs would have been required to have the ability to report on each business day. If the FBO were consolidating a U.S. firm that would independently have to report daily, then the FBO would have had to report daily. The Federal Reserve would have tested these FBOs for their ability to report daily.

⁹ FR 2052b reporting requirements would not have changed for U.S. BHCs (not controlled by FBOs) with total consolidated assets of between \$10 billion and \$50 billion, so the frequency and as-of date would have been the same as it had been.

¹⁰ A list of the LISCC firms can be found at <http://www.federalreserve.gov/bankinforeg/large-institution-supervision.htm>.

Firms whose asset sizes or identification as a LISCC firm causes them to cross the threshold from the third category to the second category, or from the second category to the first category, will be required to meet the applicable reporting requirements of the new category within three months of crossing the threshold. A firm whose asset size causes it to cross the threshold to the third category will have to meet the applicable reporting requirements within one year of crossing the threshold.

In addition to these changes, the Federal Reserve will consider future enhancements to the thresholds that define the applicability of the reporting requirements that are more sensitive to liquidity risk. Any future enhancements would be proposed and subject to comment, and if finalized, firms whose reporting requirements change based on those enhancements would be provided sufficient time to comply.

Transition Period

Some commenters raised concerns about whether the proposed implementation schedule would allow sufficient time to implement reporting requirements. One commenter noted that banking organizations with less than \$700 billion in assets and firms subject to the modified LCR methodology by the liquidity coverage ratio in the United States, finalized in September 2014 (LCR rule)¹¹ should not be required to report monthly on the FR 2052a before July 1, 2016. According to the commenter, the proposed timeline would divert resources from efforts to ensure daily LCR compliance by July 1, 2016, and potentially put those efforts at risk. This commenter asserted that monthly reporting on the FR 2052a cannot be equated to the monthly LCR calculations starting in July 2015 because the FR 2052a is much more granular than is necessary to compute the LCR and suggested that because FR 2052a reporting is more akin to the daily LCR calculation, it should be on the same timeline. The commenter also noted that for the same reasons and due to their smaller size, firms subject to the modified LCR methodology should not be required to submit reports until July 2016.

Other commenters noted that banks that were not required to report on the prior versions of the FR 2052a report should be provided more time to comply and suggested that these organizations not be required to comply with FR 2052a reporting until July 2016, January 2017, or July 2017, to allow sufficient time to enhance IT and other systems. A commenter pointed out that even if an extension was provided, these firms could continue to report on the FR 2052b in the interim.

Similarly, one FBO commenter noted that implementing the proposed FR 2052a with its more granular and expanded data requirements would require considerable resources and operational effort to comply by February 2, 2016 for certain entities that were not required to report on the prior versions of the FR 2052a report. The commenter noted that G-SIBs were given a two-year lead time prior to the implementation of the FR 2052a reporting requirements and it would be appropriate for current FR 2052b filers and new FR 2052a filers to receive similar lead time.

¹¹ 79 FR 61440 (October 10, 2014).

One commenter noted that the implementation schedule for FBOs with U.S. assets of \$50 billion or greater and U.S. broker-dealer assets of less than \$100 billion is unrealistic. The commenter noted that reporting challenges are magnified for FBOs that have not previously had the experience of filing the FR 2052a or FR 2052b. The commenter further noted that many of these firms are working to come into compliance with the Federal Reserve Board's intermediate holding company (IHC) requirement by July 2016. The commenter suggested that new FBO filers start with the FR 2052b report before moving to the FR 2052a report, with implementation dates of July 2016 for the FR 2052b and July 2017 for the FR 2052a. The commenter also noted that the LCR rule does not apply to many of these firms and that for FR 2052b FBO filers, no further requirement should be applied until the IHC requirements are clarified and there is an LCR rule in place for FBOs.

Another commenter requested that firms forming IHCs have a reasonable transition time for reporting on a consolidated basis and legal entity basis and that entities required to consolidate pursuant to the IHC requirement, effective July 2016, should not be required to report on the FR 2052a beforehand.

Based on comments and analysis of the transitions and effective dates, the Federal Reserve has extended the effective dates for firms to provide more time for them to complete the necessary system builds. The table below sets forth the revised transitions and effective dates for the FR 2052a. The effective date for the FR 2052b remains unchanged, which is also set forth in the table below. Further, for the FR 2052a filers, the Federal Reserve will require monthly submissions for all firms that are not U.S. firms with total assets of \$700 billion or more or with assets under custody of \$10 trillion or more, and FBOs identified as LISCC firms. For firms that submit monthly reports, consistent with current supervisory authority and processes, during periods of stress the Federal Reserve may temporarily request the FR 2052a liquidity data to be filed on a more frequent basis.

In addition, for U.S. firms with total consolidated assets of \$700 billion or more or with assets under custody of \$10 trillion or more, and FBOs identified as LISCC firms, the Federal Reserve will collect data as of November 30, 2015 with a request for submission on December 2, 2015. Responses to this one-time information collection are voluntary.

Timing of data submission

The Federal Reserve received several comments related to the amount of time needed to prepare reports for submission. Most commenters disagreed with the proposal's requirement that reporting forms be submitted within two days of the as-of date. One commenter noted that the two-day lag does not provide enough time for quality assurance necessary for a regulatory report. In addition, some commenters expressed concern that the two-day lag is practically only 1.5 days because the proposed submission time is noon. One commenter specifically requested that advanced approaches firms with \$700 billion or more in assets be given a full two-day reporting window.

Other commenters stated that 15 days is an appropriate time period for firms that would have been required to report monthly and for firms that are currently reporting on the FR 2052b.

One commenter suggested a five-day lag for regional banks subject to the full LCR. Another commenter offered that advanced approaches firms with less than \$700 billion in assets and new FBO filers should have five days to submit the reports.

As illustrated in the table below, the Federal Reserve will implement the following transition periods for the timing of the data submission. All firms subject to FR 2052a reporting requirements, except for U.S. firms with total assets of \$700 billion or more or with assets under custody of \$10 trillion or more, and FBOs identified as LISCC firms, will have a T+15 submission requirement at their first effective date. Subsequently, the timing of the submission will be reduced until it reaches the final timing of submission requirement. Because of the importance of timely liquidity data for the largest firms, the final timing of submission will remain T+2 days. However, for U.S. firms with total assets of \$50 billion or more, but less than \$250 billion and foreign exposure of less than \$10 billion, and FBOs with U.S. assets of \$50 billion or more and less than \$250 billion that are not identified as LISCC firms, the final timing of submission requirement will be T+10 days due to these firms' smaller contributions to systemic risk. Additionally, for all FR 2052a filers, as set forth in the instructions, the Federal Reserve will change the submission time on the submission date to 3:00pm ET, which will provide firms additional time to prepare the data submissions. The T+15 timing of submission requirement for the FR 2052b will remain unchanged.

Final Reporting Panel and Frequency of Submissions¹²

The Federal Reserve has modified the scope of application, frequency, submission dates, and timing of submission as shown in the following table in response to public comments.

<i>Report Number</i>	<i>Reporter Description</i>	<i>Frequency</i>	<i>First As-of Date</i>	<i>First Submission Date</i> ¹³	<i>Timing of Submission</i>
FR 2052a	<ul style="list-style-type: none"> U.S. firms with total assets \geq \$700 billion or with \geq \$10 trillion in assets under custody, and FBOs identified as LISCC firms. 	Daily	12/14/2015 ¹⁴	12/16/2015	T+2
FR 2052a	<ul style="list-style-type: none"> U.S. firms with total assets < \$700 billion and with < \$10 trillion in assets 	Monthly	01/31/2017 ¹⁵	02/15/2017	T+15

¹² SLHCs that are not subject to the LCR are not subject to these reporting requirements; however, through future rulemakings these institutions may be required to participate in some form of liquidity monitoring. Nonbank financial companies designated for Federal Reserve supervision by FSOC under section 113 of the Dodd-Frank Act (12 U.S.C. § 5323), to which the Federal Reserve has applied the requirements of the liquidity coverage ratio by rule or order are not subject to these reporting requirements unless included in the rule or order.

¹³ For U.S. bank holidays and weekends, no positions should be reported. For data reported by entities in international locations, if there is a local bank holiday, submit data for those entities using the data from the previous business day.

¹⁴ These firms must comply with the transitions set forth in the LCR. However, these firms do not need to report on the FR 2052a until this reporting as-of date.

¹⁵ These firms must comply with the transitions set forth in the LCR, which requires an LCR calculation monthly starting in January 2015. However, these firms do not need to report on the FR 2052a until this reporting as-of date.

	<ul style="list-style-type: none"> under custody, but total assets \geq \$250 billion or foreign exposure \geq \$10 billion, and FBOs that are not identified as LISCC firms, but with U.S. assets \geq \$250 billion. 	Monthly ¹⁶	07/31/2017	08/02/2017	T+2
FR 2052a	<ul style="list-style-type: none"> U.S. firms with total assets \geq \$50 billion, but total assets $<$ \$250 billion and foreign exposure $<$ \$10 billion, and FBOs that are not identified as LISCC firms and with U.S. assets $<$ \$250 billion, but U.S. assets \geq \$50 billion. 	Monthly	07/31/2017	08/15/2017	T+15
		Monthly ¹⁷	01/31/2018	02/10/2018	T+10
FR 2052b ¹⁸	<ul style="list-style-type: none"> U.S. BHCs (not controlled by FBOs) with total consolidated assets of between \$10 billion and \$50 billion. 	Quarterly	12/31/2015	01/15/2016	T+15

Tailoring

One commenter noted that less complex financial institutions that are not internationally active should not be held to the same reporting standards as larger and much more complex financial institutions. Financial institutions that are less complex do not present significant risk to the financial system. Another commenter noted that the FR 2052a is not tailored to take into account the risk profile of the reporting firms. A few commenters disagreed with the requirement to provide specific maturity data for five years. These commenters argued that the data would not provide beneficial supervisory information. One of these commenters suggested that only payments within one year should be reported.

One commenter noted that disaggregating principal and interest payments would be burdensome to respondents and unhelpful for the Federal Reserve because this approach would not consider balance sheet growth or other behavioral assumptions. Two commenters commented on derivatives reporting. One noted that the granular derivatives details required by the proposal are not necessary for calculating the LCR, and implementing it for regional banks would be burdensome and unhelpful to the Federal Reserve. The other commenter noted that the granularity of derivative reporting for advanced approaches banking organizations with less than \$700 billion in assets and modified LCR banking organizations should align with the LCR. The commenter asserted that the proposed requirement to segregate information about payables and

¹⁶ Consistent with current supervisory authority and processes, during periods of stress the Federal Reserve may temporarily request the FR 2052a liquidity data on a more frequent basis.

¹⁷ Consistent with current supervisory authority and processes, during periods of stress the Federal Reserve may temporarily request the FR 2052a liquidity data on a more frequent basis.

¹⁸ The FR 2052b will not change for U.S. BHCs (not controlled by FBOs) with total consolidated assets of between \$10 billion and \$50 billion, so the frequency and as-of date would be the same as it is currently.

receivables and provide the margin information in more granular detail than required by the LCR would impose tremendous burden on the collateral tracking systems of firms.

Another commenter stated that data elements related to broker-dealers are immaterial to regional banks and these banks should not be required to report them. The commenter stated that collecting that data would not be helpful to the Federal Reserve and would impose a burden on the banks.

The Federal Reserve received two comments on reporting by currency. One commenter stated that reporting by major currency for regional banks that are subject to the full LCR is unnecessary because their foreign activities are limited (more akin to firms subject to the modified LCR) and the LCR does not require it. The commenter stated that because current systems only record in USD, additional implementation burden would be imposed. Alternatively, the commenter suggested establishing a threshold for reporting by major currency other than USD only if the percent of foreign currency liabilities to total liabilities exceeded, for example, 5 percent. Another commenter suggested that the FR 2052a should incorporate thresholds for reporting by major currency that align with the Basel Committee on Banking Supervision's LCR standard's definition of "significant currency," which is when the aggregated liabilities in that currency exceed 5 percent of total liabilities. The commenter explained that if this suggestion is followed, a firm should be required to meet the threshold for four quarters before being considered a significant currency to prevent a currency from toggling between significant and not significant.

The Federal Reserve notes that the FR 2052a was not designed solely for monitoring compliance with the LCR; rather, it is a supervisory liquidity report that also allows for monitoring compliance with the LCR. In the context of that supervisory purpose and based on an analysis of the reporting firms, the FR 2052a will be better tailored to the size and complexity of the firms. First, and as mentioned above, the timing of the data submission will be extended to T+10 days for the smaller firms subject to FR 2052a reporting requirements. In addition, the FR 2052a will be revised to have tailored data elements. The granularity of maturity data will be modified for firms subject to the FR 2052a that are not U.S. firms with total assets of \$700 billion or more or with assets under custody of \$10 trillion or more or FBOs identified as LISCC firms, with only the residual value of products reported beyond one year. The residual value data will be required because it is necessary to have sufficient information on the liquidity profile of the firm. For the smaller firms subject to the FR 2052a, certain products, such as unencumbered assets, inflows from traditional loans, and interest and dividends payable, will be reported according to Appendix IV-b of the instructions. Consistent with the instructions, these firms will be permitted to report these particular products with less granularity, even within one year.

The Federal Reserve views as inappropriate the elimination of reporting requirements related to broker-dealer activities for an entire segment of firms; however, where appropriate, certain products are tailored, as detailed in the instructions. For example, for derivatives collateral reporting, firms that do not meet a certain threshold may use a default sub-product. Additionally, the product for reporting interest payments may be ignored for amortizing products if the interest is aggregated with principal and reported in the product for principal amounts. Also, certain products which implicate inflows that are not part of the LCR calculation may be

optionally ignored, such as sleeper collateral receivables and derivative collateral substitution capacity. There are also certain products that are specific to services provided by broker-dealers, so the FR 2052a will not require those specific products to be reported unless the firm has a significant broker-dealer.

Lastly, firms subject to FR 2052a requirements that historically have less foreign currency exposure will only have to report in USD and will not have to report data required by the F/X table. Thus, U.S. firms with total assets of less than \$700 billion and with assets under custody of less than \$10 trillion, but total assets of \$50 billion or more and FBOs with U.S. assets of less than \$250 billion, but U.S. assets of \$50 billion or more that are not identified as LISCC firms may report solely in USD and will not have to report data required by the F/X table. All other firms subject to FR 2052a requirements will report in the major currencies listed in the instructions and report data required by the F/X table. The FR 2052b will continue to be reported solely in USD.

Modified LCR

The Federal Reserve received the following comments specific to reporting by institutions subject to the modified LCR: (1) the proposed FR 2052a report materially expands the required time period bucketing to include 60 days of daily contractual cash flows and four periods of weekly contractual cash flows requiring fundamental changes to data, systems, and processes that have already been developed to support the FR 2052a and LCR calculations that extract data based on monthly cash flows; (2) the 60-day daily period maturity buckets go beyond the 30-day period that is necessary to compute the LCR and daily time bucket should only be 30 days for firms subject to the full LCR and should not exist for firms subject to the modified LCR; (3) maturity buckets for firms subject to the modified LCR should have no more granularity than monthly, which is what is needed for the LCR; (4) daily maturity buckets for days 31-60 should be phased in over time because systems have already been developed for the LCR's 30-day window; (5) the FR 2052a does not align with the modified LCR, requiring a parent-only report whereas a consolidated figure is required for the LCR; (6) firms subject to the modified LCR should be required to report only on the FR 2052b or an amended FR 2052b or the FR 2052a should be tailored to regional banks; and (7) required reporting for entities should be consistent with the requirements of the final LCR rule for modified LCR BHCs, i.e., global consolidated entity only, since modifying systems to include other reporting levels pose a significant operational task because systems and processes were built to support the calculation at the global consolidated entity.

In response to the comments on the reporting requirements for firms subject to the modified LCR, as mentioned above, the Federal Reserve notes that the FR 2052a was not designed solely for monitoring compliance with the LCR; rather, it is a supervisory liquidity report that also allows for monitoring compliance with the LCR. For that reason, there are products and maturity buckets beyond what is necessary for an LCR calculation. All of the products and maturity buckets are required to appropriately monitor liquidity risk within a firm subject to the FR 2052a reporting requirement. For example, to understand a firm's liquidity risk profile, it is necessary to have information beyond the LCR's 30-day time horizon and on a parent-only basis, in addition to the consolidated holding company. However, as described

above, for the smaller firms subject to the FR 2052a, the Federal Reserve will allow less granular maturity bucketing for certain products where receiving less maturity information is appropriate, such as unencumbered assets, inflows from traditional loans, and interest and dividends. Furthermore, as noted above, the Federal Reserve will extend the transitions and effective dates to provide sufficient time for system enhancements to meet the increased data requirements.

Nonbank financial companies

One commenter noted that nonbank financial companies designated by FSOC for supervision by the Board are implicated as covered in the FR 2052a update notice. The commenter requested that these companies have an opportunity to comment on the FR 2052a after being designated but before imposition of the LCR requirement and filing on the FR 2052a.

Non-bank financial companies designated by FSOC for supervision by the Federal Reserve will not be automatically subject to FR 2052a reporting requirements based on being subject to the LCR. Because these companies may become subject to the LCR by rule or order, the Federal Reserve believes it is appropriate to subject them to supervisory reporting requirements also by rule or order to ensure that such requirements are appropriate for the specific nonbank financial company.

Availability of Template or Mapping Document

The Federal Reserve proposed to require the data in XML format. Two commenters requested that the Federal Reserve make available an Excel template to facilitate internal review of the data submission.

In addition, the Federal Reserve requested comment on whether it should publish a description of how the FR 2052a data will be used to monitor LCR compliance. Several commenters agreed that the Federal Reserve should publish a description and specifically requested that the Federal Reserve should provide a reporting template that would illustrate how to calculate the reporting entity's LCR.

In response to comments, the Federal Reserve has revised the FR 2052a instructions to include an appendix that maps the provisions of the LCR to the unique data identifiers that can be used to calculate an LCR. The Federal Reserve will not provide an Excel or other template, as firms subject to FR 2052a reporting requirements may, based on the description of data tables in the instructions and the appendix describing an LCR calculation, develop their own MIS to analyze FR 2052a data. This mapping document is not a part of the LCR rule or a component of the FR 2052a report. Firms may use this mapping document solely at their discretion.

Other Changes

One commenter provided an appendix describing certain technical issues with the calculation of the LCR using FR 2052a data. The Federal Reserve has resolved these issues through the appendix to the instructions that describes an LCR calculation by mapping the LCR provisions to the FR 2052a data. Another commenter noted that “material legal entity” should be

defined more clearly, as entities falling under the definition would be an additional reporting entity. The Federal Reserve revised the instructions to provide additional information about what constitutes a material entity. In addition, the Federal Reserve will implement a supervisory process to determine which entities are deemed material. As described in the instructions, the Federal Reserve will consider characteristics of the entity, such as size, complexity, business activities, and overall risk profile.

Another commenter noted that collateral value and collateral class fields should be better explained, in particular with respect to non-investment securities collateral, cross collateralization, and when collateral is all business assets. The Federal Reserve finalized as initially proposed because Appendix III to the instructions includes all collateral classes that are relevant for this report.

The proposal would have required firms submitting the FR 2052a report to retain data for six months. The Federal Reserve will require firms to retain that data for one year after it is submitted because the Federal Reserve believes that one year is an appropriate amount of data in the event a firm needs to review previously submitted data.

Paperwork Reduction Act

In accordance with section 3512 of the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3521), the Board may not conduct or sponsor, and a respondent is not required to respond to, an information collection unless it displays a currently valid OMB control number. The OMB control number is 7100-0361. The Board reviewed the proposed information collection under authority delegated to the Board by OMB.

The FR 2052 reporting forms are a part of the Federal Reserve's supervisory surveillance program in liquidity risk management. The information collected on the FR 2052 reporting forms will provide timely information on firm-specific liquidity risks during periods of stress and will be used to monitor the overall liquidity profile of institutions supervised by the Federal Reserve. These data provide detailed information on the liquidity risks within different business lines of these firms. In addition the information collected on the FR 2052a will be used to monitor compliance with the LCR by firms subject to the rule. The Federal Reserve will use this data to identify and analyze systemic and idiosyncratic liquidity risk issues at reporting firms and across the financial system and will also prepare analytical reports that detail funding vulnerabilities at reporting firms.

The Board's collection of information on forms FR 2052a and FR 2052b is mandatory, with voluntary early reporting on FR 2052a for U.S. firms with total consolidated assets of \$700 billion or more or with assets under custody of \$10 trillion or more, and FBOs identified as LISCC firms, and is authorized pursuant to section 5 of the Bank Holding Company Act (12 U.S.C. 1844), which authorizes the Federal Reserve to conduct information collections with regard to the supervision of BHCs, section 8 of the International Banking Act (12 U.S.C. 3106), which subjects FBOs to the provision of the Bank Holding Company Act, and section 165 of the Dodd-Frank Act (12 U.S.C. 5365), which requires the Federal Reserve to ensure that certain BHCs and nonbank financial companies supervised by the Federal Reserve are subject to enhanced liquidity requirements. As these data are collected as part of the supervisory process, they are subject to confidential treatment under exemption 8 of the Freedom of Information Act

(5 U.S.C. 552(b)(8)). In addition, the institution information provided by each respondent will not be otherwise available to the public and is entitled to confidential treatment under the authority of exemption 4 of the Freedom of Information Act (5 U.S.C. 552(b)(4)), which protects from disclosure trade secrets and commercial or financial information.

The Board estimates that the burden of reporting on the revised FR 2052a will be between 120 and 400 hours per response for each reporting form. The Board estimates that the one-time implementation burden will be approximately 400 hours, which includes both the building of systems necessary to gather and report the data, as well as training of responsible staff. For firms that are required to report daily, the Board estimates that the burden for each response will be approximately 220 hours, while firms that required to report monthly will spend approximately 120 hours to prepare each response. The Board estimates that the burden of reporting on the revised FR 2052b will be approximately 60 hours per response for each reporting firm.

Regulatory Flexibility Act

The Board has considered the potential impact of the final rule on small companies in accordance with the Regulatory Flexibility Act (RFA) (5 U.S.C. 601 *et seq.*). Based on its analysis and for the reasons stated below, the Board believes that the final rule will not have a significant economic impact on a substantial number of small entities. Nevertheless, the Board is providing a final regulatory flexibility analysis with respect to the FR 2052 reporting forms.

Under regulations issued by the Small Business Administration, a small entity includes a depository institution, bank holding company, or savings and loan holding company with total assets of \$550 million or less (a small banking organization). As discussed above, the information collected on the FR 2052 reporting forms will be used to monitor the overall liquidity profile of large banking organizations supervised by the Board. These forms would collect information on the liquidity risks within different lines of business of these organizations. Firms would be required to report either daily, monthly, or quarterly depending on their size and complexity. The Board did not receive any comments on the proposed information collection notice regarding its impact on small banking organizations.

The FR 2052 reporting forms will apply to BHCs with total consolidated assets of \$10 billion or more and to FBOs with U.S. assets of \$50 billion or more. The FR 2052 reporting forms do not apply to small banking organizations, so there would be no projected compliance requirements for small banking organizations.

The Board believes that the final information collection will not have a significant impact on small banking organizations supervised by the Board and therefore believes that there are no significant alternatives that would reduce the economic impact on small banking organizations supervised by the Board.

Board of Governors of the Federal Reserve System, November 12, 2015.

Robert deV. Frierson,
Secretary of the Board.