Supporting Statement for
the Banking Organization Systemic Risk Report
(FR Y-15; OMB No. 7100-0352)

Summary

The Board of Governors of the Federal Reserve System (Federal Reserve), under delegated authority from the Office of Management and Budget (OMB), proposes to revise, with extension, the mandatory Banking Organization Systemic Risk Report (FR Y-15; OMB No. 7100-0352). The FR Y-15 annual report collects systemic risk data from U.S. Bank Holding Companies (BHCs) with total consolidated assets of $50 billion or more, and any U.S.-based organization identified as a global systemically important bank (G-SIB)[1] based on data from the previous calendar year that does not otherwise meet the consolidated assets threshold for BHCs. The Federal Reserve uses the FR Y-15 data primarily to monitor, on an ongoing basis, the systemic risk profile of the institutions which are subject to enhanced prudential standards under section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (DFA).[2]

The Federal Reserve proposes to revise the FR Y-15 by (1) adding seven new line items concerning the calculation of total exposures and intra-financial system liabilities in accordance with international standards; (2) adding four new line items in order to capture additional dimensions of a firm's systemic footprint; (3) deleting five line items that are no longer needed; (4) revising the definitions for specific line items in accordance with international standards; (5) allowing respondents to construct their own exchange rates for converting payments data; (6) changing the total exposures metric so that it reflects average values over the previous three months; (7) introducing a new schedule to capture short-term wholesale funding; (8) including savings and loan holding companies (SLHCs) in the respondent panel; (9) moving from annual to quarterly reporting; and, (10) incorporating instructional clarifications.

The proposed changes would be effective December 31, 2015. The annual burden for the FR Y-15 report is estimated to be 10,395 hours. The proposed revisions would result in a net increase in burden of 45,141 hours.

Background and Justification

In response to the financial crisis, the Basel Committee on Banking Supervision (BCBS) adopted a series of reforms to improve the resilience of banks and banking systems. Among those reforms is a capital surcharge (G-SIB surcharge) that increases for G-SIBs the "capital

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[1] See *2014 update of list of global systemically important banks (G–SIBs)*, available at www.financialstabilityboard.org/wp-content/uploads/r_141106b.pdf.

[2] 12 U.S.C. § 5365.

conservation buffer" the BCBS included in the revised international standards it published in 2010, *Basel III: A global regulatory framework for more resilient banks and banking systems* (Basel III).[3] Under the standard, a G-SIB must hold tier 1 common equity capital sufficient to meet the capital conservation buffer, as increased by the G-SIB surcharge, in order to avoid restrictions on capital distributions and discretionary bonus payments to executive officers. The standards established in Basel III, as modified by the G-SIB surcharge (the Basel capital framework), are designed to fortify the capital positions of G-SIBs so that they can absorb losses and remain going concerns even under stressed financial conditions.

The BCBS developed an indicator-based approach for determining the G-SIB surcharge that focuses on those aspects of a G-SIB's operations that are likely to generate negative externalities in the case of its failure. The methodology assesses five components of a bank's systemic footprint: size, interconnectedness, substitutability, complexity, and cross-jurisdictional activity. The surcharge, which may be influenced by supervisory judgment, is based on a banking organization's results relevant to other banking organizations that are also calculating the systemic risk measures.

The G-SIB surcharges, which currently range from 1 percent to 2.5 percent of risk-weighted assets, increase in proportion with the firm's systemic footprint. A 3.5 percent surcharge is also available to discourage large firms from growing more systemically important. According to the BCBS standard, the G-SIB surcharge is to be phased in along with the capital conservation buffer (i.e., between January 2016 and December 2018), so that it is fully effective starting in January 2019.

In December 2014, the Federal Reserve sought comment on a notice of proposed rulemaking that would impose a G-SIB surcharge on U.S. BHCs.[4]

The FR Y-15, which was implemented on December 31, 2012,[5] was derived from a data collection developed by the BCBS to assess the global systemic importance of banks. In addition to (1) facilitating the future implementation of a G-SIB surcharge through regulation, (2) identifying institutions which may be designated as domestic systemically important institutions (D-SIBs) under a future framework, and (3) analyzing the systemic risk implications of proposed mergers and acquisitions, the Federal Reserve uses the FR Y-15 data to monitor, on an ongoing basis, the systemic risk profile of the institutions which are subject to enhanced prudential standards under section 165 of the DFA. The Federal Reserve also submits data to the BCBS for

[3] The Basel III framework is available at www.bis.org/publ/bcbs189.htm.

[4] See 79 FR 75473 (December 18, 2014).

[5] The final *Federal Register* notice was published on December 28, 2012 (77 FR 76484).

use in determining whether an institution is a G-SIB under the BCBS methodology and, if so, which G-SIB surcharge would be applicable to it.[6]

In 2013 the Federal Reserve revised the FR Y-15 by adding and removing line items, revising several definitions, updating the reporting criteria to reflect assets as of June 30 instead of December 31, and incorporating instructional clarifications.[7]

Description of Information Collection

The data items collected in this report mirror those that were developed by the BCBS to assess the global systemic importance of banks. The report consists of the following schedules, which are each discussed in detail below:

- Schedule A – Size Indicator;
- Schedule B – Interconnectedness Indicators;
- Schedule C – Substitutability Indicators;
- Schedule D – Complexity Indicators;
- Schedule E – Cross-Jurisdictional Activity Indicators; and,
- Schedule F – Ancillary Indicators.

Each schedule consists of one or more systemic risk indicators. The rationale for using each of the indicators to determine systemic importance has been outlined by the BCBS.[8]

It is important to note that some of the reporting requirements overlap with data already collected in the Consolidated Financial Statements for Holding Companies (FR Y-9C; OMB No. 7100-0128) and the Country Exposure Report (FFIEC 009; OMB No. 7100-0035). Where relevant data are already being reported on the FR Y-9C or the FFIEC 009, the FR Y-15 automatically retrieves those amounts. Automatically-retrieved items are listed in the general instructions of the FR Y-15 under section H, titled "Data Items Automatically Retrieved from Other Reports."

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[6] Data for BHCs with total exposures in excess of 100 billion euros are submitted to the BCBS for potential inclusion in the G-SIB assessment methodology.

[7] See 78 FR 77128 (December 20, 2013).

[8] See *Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement*, July 2013, available at www.bis.org/publ/bcbs255.htm.

Schedule A - Size Indicator

The size indicator measures total exposures using both on- and off-balance sheet data. On-balance sheet items include total assets, net and gross securities financing transactions (SFTs), securities received as collateral in securities lending, cash collateral received in conduit securities lending transactions, derivative exposures with a net positive fair value, and cash collateral netted against net positive derivative exposures. Off-balance sheet items include counterparty exposure of SFTs, potential future exposure of derivative contracts, notional amount of credit derivatives sold, credit derivatives sold net of related credit protection bought, credit derivatives sold net of related credit protection bought and adjusted for maturity, the notional amount of off-balance-sheet items with a 0 percent credit conversion factor (CCF) under the standardized approach to risk-based capital, unconditionally cancellable credit card commitments, other unconditionally cancellable commitments, the notional amount of off-balance-sheet items with a 20 percent CCF, the notional amount of off-balance-sheet items with a 50 percent CCF, and the notional amount of off-balance-sheet items with a 100 percent CCF. Certain regulatory adjustments to Tier 1 capital are also collected.

Schedule B - Interconnectedness Indicators

The Interconnectedness Indicators Schedule is comprised of three subcategories: intra-financial system assets, intra-financial system liabilities, and securities outstanding. Intra-financial system assets are comprised of funds deposited with or lent to unaffiliated financial institutions, certificates of deposit, undrawn committed lines extended to unaffiliated financial institutions, holdings of securities issued by unaffiliated financial institutions (including secured debt securities, senior unsecured debt securities, subordinated debt securities, commercial paper, and stock (including par and surplus of common and preferred shares)), offsetting short positions in relation to specific stock holdings, net positive current exposure of SFTs with unaffiliated financial institutions, and information about over-the-counter (OTC) derivatives with unaffiliated financial institutions that have a net positive fair value (including the net positive fair value and the potential future exposure).

Intra-financial system liabilities include deposits due to depository institutions, deposits due to non-depository financial institutions, undrawn committed lines obtained from unaffiliated financial institutions, net negative current exposure of SFTs with unaffiliated financial institutions, and information about OTC derivatives with unaffiliated financial institutions that have a net negative fair value (including the net negative fair value and the potential future exposure).

Securities outstanding include secured debt securities, senior unsecured debt securities, subordinated debt securities, commercial paper, certificates of deposit, common equity, and preferred shares and other subordinated funding.

Schedule C - Substitutability Indicators

The Substitutability Indicators Schedule includes the value of payments sent by the banking organization over the reporting year via large value payment systems or through an agent. These payments are reported by currency (Australian dollars, Brazilian real, Canadian dollars, Swiss francs, Chinese yuan, euros, British pounds, Hong Kong dollars, Indian rupees, Japanese yen, Swedish krona, United States dollars, and all other currencies not specifically listed). The schedule also includes assets held as a custodian on behalf of customers, equity underwriting activity, and debt underwriting activity.

Schedule D - Complexity Indicators

The Complexity Indicators Schedule includes the notional amount of OTC derivatives cleared through a central counterparty, the notional amount of OTC derivatives settled bilaterally, trading securities, available-for-sale (AFS) securities, trading and AFS securities that meet the definition of level 1 liquid assets, trading and AFS securities that meet the definition of level 2 liquid assets after haircuts, and assets valued for accounting purposes using Level 3 measurement inputs.[9]

Schedule E - Cross-Jurisdictional Activity Indicators

The Cross-Jurisdictional Activity Indicators Schedule includes foreign claims on an ultimate-risk basis, foreign liabilities (excluding local liabilities in local currency), any foreign liabilities to related offices included in the reported foreign liabilities total, and local liabilities in local currency.

Schedule F - Ancillary Indicators

The Ancillary Indicators Schedule includes total liabilities, retail funding, total net revenue, foreign net revenue, total gross revenue, peak equity market capitalization, gross value of cash lent and gross fair value of securities lent in SFTs, gross value of cash borrowed and gross fair value of securities borrowed in SFTs, gross positive fair value of OTC derivatives transactions, gross negative fair value of OTC derivatives transactions, unsecured settlement/clearing lines provided, held-to-maturity securities, and number of jurisdictions.

[9] For definitions of level 1 and level 2 liquid assets, see *Basel III: The Liquidity Coverage Ratio and liquidity risk monitoring tools* (Jan. 2013), available at www.bis.org/publ/bcbs238.pdf. For a definition of Level 3 measurement inputs see FASB ASC Topic 820, Fair Value Measurements and Disclosures (formerly FASB Statement No. 157, Fair Value Measurements).

Proposed Revisions

Schedule A - Size Indicator

In September 2014, the Federal Reserve, together with the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency, revised the definition of "total leverage exposure" used to calculate a BHC's supplementary leverage ratio.[10] To reflect the revised leverage ratio standard and accompanying disclosure table, the Federal Reserve proposes to collect 10 new items: posted cash collateral used to offset the negative mark-to-fair value of derivative contracts (item 1(c)), cash variation margin included as an on-balance sheet receivable (item 1(e)), exempted central counterparty legs of client-cleared transactions included in on-balance sheet assets (item 1(f)), effective notional amount offsets and potential future exposure (PFE) adjustments for sold credit protection (item 1(g)), total derivative exposures (item 1(h)), SFT indemnification and other agent-related exposures (item 2(c)), gross value of offsetting cash payables (item 2(d)), total SFT exposures (item 2(e)), other on-balance sheet assets (item 3(a)), and the credit exposure equivalent of other off-balance sheet items (item 4(e)). To maintain consistency with the exposures definition used in the international G-SIB methodology, the Federal Reserve proposes to also collect total exposures prior to regulatory deductions (item 5).

The Federal Reserve proposes to remove nine line items that are not used in the calculation. Four of these are provided by respondents [cash collateral netted against the derivative exposures in item 1(c)(1) (item 1(c)(2)); credit derivatives sold net of related credit protection bought, adjusted for maturity (item 2(b)(3)); unconditionally cancellable credit card commitments (item 2(c)(1)); and other unconditionally cancellable commitments (item 2(c)(2))], two are automatically retrieved from the FR Y-9C [total assets (item 1(a)) and net value of SFTs (item 1(b)(1)], and three are automatically calculated on behalf of the respondent [total on-balance sheet items (item 1(d)), total off-balance sheet items (item 2(g)), and total exposures (item 4)].

The Federal Reserve proposes to adjust the position and names of the remaining items to conform to the revised presentation of the data. This includes moving three of the remaining items which are not required for the exposures calculation to a new memoranda section.

Consistent with the supplementary leverage ratio adopted in September 2014, the Federal Reserve proposes to collect average values over the reporting period.[11] For on-balance sheet items, the Federal Reserve proposes collecting averages using daily data. For off-balance sheet

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[10] See 79 FR 57725 (September 26, 2014).

[11] See 79 FR 57726 (September 26, 2014).

items, the Federal Reserve proposes collecting averages using monthly data. This would affect the definitions for all items in Schedule A.

Schedule B - Interconnectedness Indicators

The intra-financial system assets (IFSA) indicator captures the amount of funds deposited with and lent to other financial institutions (item 1), while intra-financial system liabilities (IFSL) only captures deposits. In accordance with the international standard that will be adopted starting with the end-2015 collection,[12] the Federal Reserve proposes to correct this asymmetry by adding a new item, borrowings obtained from other financial institutions (item 8), to the IFSL total.

Under the current definitions, certificates of deposit are included in both the IFSL and securities outstanding indicators. To eliminate this double counting, the Federal Reserve proposes to remove certificates of deposit from deposits due to depository institutions (item 7(a)) and deposits due to non-depository institutions (item 7(b)). This change is also scheduled to be adopted in the international standard starting with the end-2015 collection.[13]

To capture a more holistic measure of securities holdings, the Federal Reserve proposes to update the definition of holdings of securities issued by other financial institutions (item 3) to include the historical cost of equity securities without readily determinable fair values (see FR Y-9C, Schedule HC-F, item 4). To mirror the instructions used in the international G-SIB methodology, the Federal Reserve also proposes to update the definitions for net positive current exposure of SFTs with unaffiliated financial institutions (item 4) and net negative current exposure of SFTs with unaffiliated financial institutions (item 10).

IFSA includes the unused portion of committed lines extended to other financial institutions (item 2). The indicator does not, however, include financial and performance standby letters of credit, which may represent an important source of intra-financial connectivity. To capture this value without affecting the IFSA calculation, the Federal Reserve proposes to collect standby letters of credit extended to other financial institutions as a memorandum item (item M1).

Schedule C - Substitutability Indicators

Starting with the end-2015 assessment, the international G-SIB methodology will no longer use a fixed set of exchange rates in converting the payments totals to the reporting

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[12] See Appendix 6 of the *Instructions for the end-2014 G-SIB assessment exercise*, January 2015, available at www.bis.org/bcbs/gsib/instr_end14_gsib.pdf.

[13] Ibid.

currency.[14] In accordance with this change, the Federal Reserve proposes allowing FR Y-15 respondents to construct their own exchange rates using a consistent series of exchange rate quotations. This is the method already employed for payments data involving currencies that are outside the scope of the international assessment.

Furthermore, the BCBS has identified three additional currencies that may be important in measuring the overall substitutability of a firm: Mexican pesos, New Zealand dollars, and Russian rubles. The Federal Reserve proposes capturing payments made in these currencies over the last four quarters as memoranda items. For readability, the Federal Reserve also recommends moving all currencies not listed above (from item 1(m) to item M4) and unsecured settlement/clearing lines provided (from Schedule F, item 11 to item M5).

Schedule D - Complexity Indicators

Two of the items in Schedule D rely on the definitions for level 1 and level 2 liquid assets. In finalizing the previous revisions to the FR Y-15, the Federal Reserve stated that, "after the U.S. rule implementing the LCR is finalized, the Federal Reserve will consider aligning the definitions of level 1 and level 2 assets used in the two items of the FR Y-15 with the definitions in the U.S. rule."[15] Now that the rule implementing the liquidity coverage ratio (LCR) has been finalized, the Federal Reserve proposes adopting the level 1, level 2A, and level 2B liquid asset definitions used in the U.S. rule for the purpose of reporting trading and AFS securities that meet the definition of level 1 assets (item 7) and trading and AFS securities that meet the definition of level 2 assets with haircuts (item 8).[16] While this revision aligns level 1 and level 2 liquid assets with the definition of high-quality liquid assets in the U.S. LCR rule, this could, in turn, result in a more stringent measure of the trading and AFS securities indicator relative to the international standard.

To enhance readability, the Federal Reserve also proposes to change held-to-maturity securities (item M1) to a memoranda item.

Schedule E - Cross-Jurisdictional Activity Indicators

The Federal Reserve proposes no changes to this schedule.

Schedule F - Ancillary Indicators

The Federal Reserve proposes adopting a more logical ordering of the revenue-related items (items 3, 4, and 5). As peak equity market capitalization (item 6) is no longer being

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[14] Ibid.

[15] See 78 FR 77130 (December 20, 2013).

[16] See 79 FR 61440 (October, 10, 2014).

captured in the international collection, the Federal Reserve proposes removing the item from the FR Y-15. To help prevent potential misinterpretations, the Federal Reserve proposes to revise the instructions for the gross value of cash provided and gross fair value of securities provided in SFTs (renumbered item 6) and the gross value of cash received and gross fair value of securities received in SFTs (renumbered item 7). The Federal Reserve proposes to move unsecured settlement/clearing lines provided (item 11) and held-to-maturity securities (item 12) to other schedules.

Schedule G – Short-Term Wholesale Funding Indicator

As explained in a recent notice of proposed rulemaking regarding implementation of a capital requirement for G-SIBs,[17] the financial crisis revealed dangers that can emerge as a result of a firm's reliance on short-term wholesale funding. During periods of stress, this reliance can leave firms vulnerable to runs that undermine financial stability. When short-term creditors lose confidence in a firm or believe other short-term creditors may lose confidence in that firm, those creditors have a strong incentive to withdraw funding quickly before withdrawals by other creditors drain the firm of its liquid assets. To meet its obligations, the borrowing firm may be required to rapidly sell less liquid assets, which it may be able to do only at fire sale prices that deplete the seller's capital and drive down asset prices across the market. In a post-default scenario, fire sale externalities could result if the defaulted firm's creditors seize and rapidly liquidate assets the defaulted firm has posted as collateral. Financial distress can spread among firms as a result of counterparty relationships or because of perceived similarities among firms, forcing firms to rapidly liquidate assets in a manner that places the financial system as a whole under significant strain.

Consistent with the view that short-term wholesale funding is a critical component of a firm's systemic footprint, the Federal Reserve proposes adding a new schedule (Schedule G) that captures a firm's level of short-term wholesale funding. The new schedule would be reported starting with the end-June 2016 as-of date[18] and would capture funding secured by level 1 liquid assets (item 1(a)), funding secured by level 2A liquid assets (item 2(a)), unsecured wholesale funding obtained outside of the financial sector (item 2(b)), retail brokered deposits and sweeps (item 2(c)), covered asset exchanges from level 1 to level 2A liquid assets (item 2(d)), short positions involving a level 1 or level 2A liquid asset (item 2(e)), total second tier short-term wholesale funding (item 2(f)), funding secured by level 2B liquid assets (item 3(a)), other covered asset exchanges and short positions (item 3(b)), total third tier short-term wholesale funding (item 3(c)), unsecured wholesale funding obtained within the financial sector (item 4(a)), all other components of short-term wholesale funding (item 4(b)), total other short-term

[17] See 79 FR 75477 (December 18, 2014).

[18] The effective date for banking organizations to report Schedule G may be delayed pending the implementation of the requirement for such organizations to report data on the FR 2052a.

wholesale funding (item 4(c)), and total short-term wholesale funding, by maturity, after applying the associated weighting (item 5). Each of these items would be divided into four maturity buckets: funding with a remaining maturity of 30 days or less (along with funding with no maturity date), funding with a remaining maturity of 31 to 90 days, funding with a remaining maturity of 91 to 180 days, and, funding with a remaining maturity of 181 to 365 days. Finally, the new schedule would also capture total short-term wholesale funding (item 6) calculated as the sum of the subcomponents in item 5.

The recent proposal to implement a capital requirement for G-SIBs included short-term wholesale funding as a systemic risk indicator for the purposes of calculating a firm's G-SIB surcharge.[19] The Federal Reserve is currently in the process of reviewing public comments that have been received regarding this proposal. Should a short-term wholesale funding metric ultimately be adopted for the purposes of calculating a G-SIB surcharge, the Federal Reserve intends to update the FR Y-15, where needed, to reflect the final rule.

Changes to the Reporting Panel

While the original FR Y-15 proposal included SLHCs as respondents, the Federal Reserve decided to provide an exemption and "publish a separate proposal for comment … after the regulatory capital rules for SLHCs are finalized."[20] Now that these capital requirements are in place, the Federal Reserve proposes to add covered SLHCs (i.e., those which are not substantially engaged in insurance or commercial activities) to the FR Y-15 reporting panel.

Reporting Frequency

To improve the Federal Reserve's ability to monitor the systemic risk profile of domestic banking organizations throughout the year, the Federal Reserve proposes to switch from annual to quarterly reporting starting March 31, 2016. Currently, the Federal Reserve assesses the overall systemic importance of a firm using a single yearly observation. This snapshot may not adequately represent the true systemic footprint of the firm throughout the year. Moreover, should a firm's systemic footprint change significantly during the year (e.g., due to a fundamental change in business strategy), this move would not be fully assessed until the next year-end. More frequent reporting would allow the Federal Reserve to better monitor the systemic footprint of individual firms as well as the collective systemic footprint of the largest banking organizations.

The increased frequency would simultaneously provide the market with additional data on the overall systemic footprint of an institution, allowing market participants to better project

[19] Ibid.

[20] See 77 FR 76485 (December 28, 2012).

the potential future capital requirements for U.S. G-SIBs. The current international G-SIB standard involves a relative methodology, where the values of all of the firms are needed in order to calculate the scores. Thus, firms only have complete information about their surcharge once a year. This makes it difficult for firms to see the benefits of incremental improvements in their overall footprint throughout the year. By collecting the required data more frequently, firms would have additional information about their own systemic footprint vis-à-vis other respondents, and would be better positioned to predict individual assessment scores under the BCBS methodology.[21]

One consequence of moving to quarterly reporting is that the annual flow variables (i.e., payments and underwriting activity) would need to be reported over the previous four quarters. Furthermore, the values captured in Schedule A (Total exposures) would represent quarterly averages.

Glossary of Terms

Many items are unique to the FR Y-15 (e.g., payments and assets under custody). As such, there are certain terms that may have a different meaning in the context of the FR Y-15 or otherwise may not be found in other regulatory reports. To help ensure uniform interpretation of the instructions, the Federal Reserve proposes to introduce a new glossary of terms that would contain definitions relevant to the completion of the FR Y-15 report.

Memoranda Items

To improve the readability of the report, the Federal Reserve proposes relabeling certain items which are not included in the indicator calculations as memoranda items. This would allow related metrics to be grouped together on the same schedule.

Instructional Clarifications

The Federal Reserve proposes to incorporate instructional clarifications in response to feedback and questions received from banking organizations over the last two reporting periods. The Federal Reserve also proposes to integrate relevant definitional adjustments and clarifications that have been incorporated into the instructions for the international G-SIB assessment.[22]

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[21] See *Global systemically important banks: updated assessment methodology and the higher loss absorbency requirement*, July 2013, available at www.bis.org/publ/bcbs255.htm.

[22] See *Instructions for the end-2014 G-SIB assessment exercise*, January 2015, available at www.bis.org/bcbs/gsib/instr_end14_gsib.pdf.

Respondent Panel

The Federal Reserve uses the FR Y-15 data to monitor, on an ongoing basis, the systemic risk profile of the institutions which are subject to enhanced prudential standards under section 165 of the DFA. Given the threshold for enhanced prudential standards provided under DFA, the reporting requirements apply to U.S. BHCs that have total consolidated assets of $50 billion or more as of the June 30th prior to the December 31st as-of date, and any U.S.-based organizations designated as G-SIBs that do not otherwise meet the consolidated assets threshold. Under the current proposal, the respondent panel would be widened to include SLHCs with total consolidated assets of $50 billion or more as of the June 30th prior to the December 31st as-of date.

Based on data as of December 2014, the FR Y-15 would be filed by approximately 33 domestic BHCs and one SLHC.

Time Schedule for Information Collection and Publication

The FR Y-15 is required to be submitted as of December 31. The submission date for banking organizations is 65 calendar days after the December 31 as-of-date. Under the current proposal, banking organizations would also be required to submit data as of March 31, June 30, and September 30. The submission date for these three quarters would be 50 calendar days after the as-of date.

Respondents are required to submit the report electronically using the Federal Reserve's standard electronic submission application. The Federal Reserve believes this to be the most efficient and least burdensome method of submission. The application validates the report data for mathematical and logical consistency and provides the reporting institution with a confirmation of receipt of its submission. The application also allows institutions to provide written comments, if needed.

In the interest of transparency, the FR Y-15 data are made available to the public on the FFIEC website (www.ffiec.gov/nicpubweb/nicweb/nichome.aspx).

Legal Status

The Federal Reserve Board's Legal Division determined that the mandatory FR Y-15 is authorized by the Dodd-Frank Act (sections 163, 165, and 604), the International Banking Act, the Bank Holding Company Act, and the Home Owners' Loan Act.

The Federal Reserve Board's Legal Division also determined that data collected on the FR Y-15 includes public information and confidential information. In this respect, data items on the FR Y-15 that are retrieved from the public portions of the FR Y-9C, that are published only in aggregate form on the FR Y-15, and other items the release of which has not been determined to cause competitive harm are not confidential. However, items on the FR Y-15 that are retrieved from non-public portions of the FR Y-9C for which the respondent requested and has been accorded confidential treatment are exempt from disclosure under Exemption 4 of the Freedom of Information Act (FOIA), 5 U.S.C. § 552(b)(4), as confidential commercial information. The same would be true for any items retrieved from the FFIEC 009 for which the respondent has requested confidential treatment. To the extent confidential data collected under the FR Y-15 will be used for supervisory purposes, it may be exempt from disclosure under Exemption 8 of FOIA, 5 U.S.C. § 552(b)(8). Confidential supervisory information may be disclosed only to "proper persons" as set forth in 12 U.S.C. § 326 and consistent with the Board's Rules Regarding the Availability of Information (12 CFR 261, subpart C). The Board's Legal Division will review all requests for disclosure under 12 U.S.C. § 326.

Consultation Outside of Agency

The FR Y-15 was derived directly from a data collection developed by the BCBS to assess the global systemic importance of banks. The revisions included in the January 2015 version of the international collection, which form the basis for many of the recommendations made herein, were adopted after consultation with representatives from numerous national supervisory authorities, including the Federal Reserve.[23]

On July 9, 2015, the Federal Reserve published a notice in the *Federal Register* (80 FR 39433) requesting public comment for 60 days on the proposed revisions to the FR Y-15. On August 20, 2015, the Federal Reserve published a notice in the *Federal Register* (80 FR 50623) that included changes to the proposed Schedule G of the FR Y-15 and extended the comment period for the July 9 notice. The comment period for the FR Y-15 revisions that were proposed in the two notices will expire on October 19, 2015.

Estimate of Respondent Burden

As shown in the following table, the current annual burden for the report is estimated to be 10,395 hours and would increase to 55,536 hours with the proposed revisions. This change is due primarily to the increased reporting frequency. The revised estimate is also influenced by an increased average response time (attributable to the new data items) and an increase in the size of the respondent panel by one respondent. The Federal Reserve estimates that, with the proposed revisions, each respondent would require 401 hours to complete the FR Y-15. The total annual burden for the FR Y-15 represents less than one percent of the total Federal Reserve System paperwork burden.

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[23] See *Instructions for the end-2014 G-SIB assessment exercise*, January 2015, available at www.bis.org/bcbs/gsib/instr_end14_gsib.pdf.

FR Y-15	*Number of respondents[24]*	*Annual frequency*	*Estimated average hours per response*	*Estimated annual burden hours*
Current				
BHCs	33	1	315	10,395
Proposed				
Implementation Burden:				
SLHCs	1	1	1,000	1,000
Ongoing Burden:				
BHCs and SLHCs	34	4	401	54,536
Change				45,141

The current annual cost to the public for this report is estimated to be $537,941 and would increase to $2,873,988 with the proposed changes.[25]

Sensitive Questions

This collection of information contains no questions of a sensitive nature as defined by OMB guidelines.

Estimate of Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System for collecting and processing this report will be obtained.

[24] Of the 34 respondents required to comply with this information collection, none are considered small entities as defined by the Small Business Administration (i.e., entities with less than $550 million in total assets).

[25] 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 $17, 45% Financial Managers at $63, 15% Lawyers at $64, and 10% Chief Executives at $87). 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 2014*, published March 25, 2015, www.bls.gov/news.release/ocwage.nr0.htm. Occupations are defined using the BLS Occupational Classification System, www.bls.gov/soc/.