

FEDERAL RESERVE SYSTEM

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System

SUMMARY: On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board of Governors of the Federal Reserve System (Board) its approval authority under the Paperwork Reduction Act (PRA), pursuant to 5 C.F.R. 1320.16, to approve of and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board under conditions set forth in 5 C.F.R. 1320 Appendix A.1. 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 statements 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.

DATES: Comments must be submitted on or before [insert date 60 days after publication in the *Federal Register*].

ADDRESSES: You may submit comments, identified by *FR Y-6*, *FR Y-7*, *FR Y-10*, or *FR Y-10E*, by any of the following methods:

- Agency Website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the instructions for submitting comments.

- E-mail: regs.comments@federalreserve.gov. Include OMB number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Robert deV. Frierson, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, N.W., Washington, DC 20551.

All public comments are available from the Board's website at <http://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or contact information. Public comments may also be viewed electronically or in paper form in Room 3515, 1801 K Street (between 18th and 19th Streets NW) Washington, DC 20006 between 9:00 a.m. and 5:00 p.m. on weekdays.

Additionally, commenters may send a copy of their comments to the 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 or by fax to (202) 395-6974.

FOR FURTHER INFORMATION CONTACT: A copy of the PRA OMB submission, including the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files, once approved. These documents will also be made available on the Federal Reserve Board's public website at:

<http://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears below.

Federal Reserve Board Acting Clearance Officer – Mark Tokarski – 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.

SUPPLEMENTARY INFORMATION:

Request for comment on information collection proposal

The following information collection, which is being handled under this delegated authority, has received initial Board approval and is hereby published for comment. At the end of the comment period, the proposed information collection, along with an analysis of comments and recommendations received, will be submitted to the Board for final approval under OMB delegated authority. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Federal Reserve's functions; including whether the information has practical utility;
- b. The accuracy of the Federal Reserve's estimate of the burden of the proposed information collection, including the validity of the methodology and assumptions used;
- c. Ways to enhance the quality, utility, and clarity of the information to be collected;
- d. Ways to minimize the burden of information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or start up costs and costs of operation, maintenance, and purchase of services to provide information.

Proposal to approve under OMB delegated authority the extension for three years, with revision, of the following report:

Report title: Annual Report of Holding Companies; Annual Report of Foreign Banking Organizations; Report of Changes in Organizational Structure; Supplement to the Report of Changes in Organizational Structure.

Agency form number: FR Y-6; FR Y-7; FR Y-10; FR Y-10E.

OMB control number: 7100-0297.

Frequency: FR Y-6: Annual; FR Y-7: Annual; FR Y-10: Event-generated; FR Y-10E: Event-generated.

Reporters: Bank holding companies (BHCs) and savings and loan holding companies (SLHCs) (collectively, holding companies (HCs)), securities holding companies, foreign banking organizations (FBOs), state member banks unaffiliated with a BHC, Edge Act and agreement corporations, and nationally chartered banks that are not controlled by a BHC (with regard to their foreign investments only).

Estimated annual reporting hours: FR Y-6: 26,477 hours; FR Y-7: 972 hours; FR Y-10 initial: 530 hours; FR Y-10 ongoing: 39,735 hours; FR Y-10E: 2,649 hours.

Estimated average hours per response: FR Y-6: 5.5 hours; FR Y-7: 4 hours; FR Y-10 initial: 1 hour; FR Y-10 ongoing: 2.5 hours; FR Y-10E: 0.5 hours.

Number of respondents: FR Y-6: 4,814; FR Y-7: 243; FR Y-10 initial: 530; FR Y-10 ongoing: 5,298; FR Y-10E: 5,298.

General description of report: These information collections are mandatory as follows:

FR Y-6: Section 5(c)(1)(A) of the Bank Holding Company Act (BHC Act) (12 U.S.C. § 1844(c)(1)(A)), sections 8(a) and 13(a) of the International Banking Act (IBA) (12 U.S.C.

§§ 3106(a) and 3108(a)), sections 11(a)(1), 25, and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 602, and 611a), and sections 113, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5412, 1850a(c)(1), and § 5468(b)(1), respectively).

FR Y-7: Sections 8(a) and 13(a) of the IBA (12 U.S.C. §§ 3106(a) and 3108(a)) and sections 113, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5412, 1850a(c)(1), and § 5468(b)(1), respectively).

FR Y-10 and FR Y-10E: Sections 4(k) and 5(c)(1)(A) of the BHC Act (12 U.S.C. §§ 1843(k), 1844(c)(1)(A)), section 8(a) of the IBA (12 U.S.C. § 3106(a)), sections 11(a)(1), 25(7), and 25A of the Federal Reserve Act (12 U.S.C. §§ 248(a)(1), 321, 601, 602, 611a, 615, and 625), and sections 113, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5412, 1850a(c)(1), and § 5468(b)(1), respectively).

The data collected in the FR Y-6, FR Y-7, FR Y-10, and FR Y-10E are not considered confidential. With regard to information that a banking organization may deem confidential, the institution may request confidential treatment of such information under one or more of the exemptions in the Freedom of Information Act (FOIA) (5 U.S.C. § 552). The most likely case for confidential treatment will be based on FOIA exemption 4, which permits an agency to exempt from disclosure “trade secrets and commercial or financial information obtained from a person and privileged and confidential,” (5 U.S.C. § 552(b)(4)). To the extent an institution can establish the potential for substantial competitive harm, such information would be protected from disclosure under the standards set forth in National Parks & Conservation Association v. Morton, 498 F.2d 765 (D.C. Cir. 1974). Exemption 6 of FOIA might also apply with regard to the respondents’ submission of non-public personal information of owners, shareholders, directors, officers and employees of respondents. Exemption 6 covers “personnel and medical

files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy,” (5 U.S.C. § 552(b)(6)). All requests for confidential treatment would need to be reviewed on a case-by-case basis and in response to a specific request for disclosure.

Abstract: The FR Y-6 is an annual information collection submitted by top-tier HCs and non-qualifying FBOs. It collects financial data, an organization chart, verification of domestic branch data, and information about shareholders. The Federal Reserve uses the data to monitor holding company operations and determine holding company compliance with the provisions of the BHC Act, Regulation Y (12 C.F.R. § 225), the Home Owners’ Loan Act (HOLA), and Regulation LL (12 C.F.R. § 238).

The FR Y-7 is an annual information collection submitted by qualifying FBOs to update their financial and organizational information with the Federal Reserve. The FR Y-7 collects financial, organizational, and managerial information. The Federal Reserve uses information to assess an FBO’s ability to be a continuing source of strength to its U.S. operations, and to determine compliance with U.S. laws and regulations.

The FR Y-10 is an event-generated information collection submitted by FBOs; top-tier HCs; security holding companies as authorized under Section 618 of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (12 U.S.C. § 1850a(c)(1)); state member banks unaffiliated with a BHC; Edge Act and agreement corporations that are not controlled by a member bank, a domestic BHC, or a FBO; and nationally chartered banks that are not controlled by a BHC (with regard to their foreign investments only) to capture changes in their regulated investments and activities. The Federal Reserve uses the data to monitor structure information on subsidiaries and regulated investments of these entities engaged in banking and nonbanking

activities. The FR Y-10E is a free-form supplement that may be used to collect additional structural information deemed to be critical and needed in an expedited manner.

Current Actions: The Federal Reserve proposes to collect the Legal Entity Identifier (LEI) for all banking and nonbanking legal entities reportable on the Banking, Non-Banking, SLHC, and 4K schedules (not the Branch schedules) of the FR Y-10 and on the Organization Chart section of the FR Y-6 and FR Y-7. The LEI is a 20-character alphanumeric code that is universal and uniquely corresponds to a single legal entity.¹ The Federal Reserve is only proposing requiring the reporting of an LEI if one has already been issued for the reportable entity at the time of collection. At this time, the Federal Reserve is not requiring an LEI to be obtained for the sole purpose of reporting the LEI on the FR Y-6, FR Y-7, and FR Y-10.

As evident by the recent financial crisis, it was difficult for regulators to precisely identify parties involved in financial transactions domestically and internationally. At the time, there was no unified global identification system for to link legal entities with different and multiple regulators and jurisdictions. The Board and each financial regulatory agency assigns its' own internal primary identifier to the entities that it regulates, such as the Federal Reserve's Research Statistics Supervision and Discount Identification (i.e., RSSD ID) number, FDIC's Certificate number, and OCC's Charter number.

Several years ago, the Financial Stability Board began leading an international initiative to implement a global identifier system that would uniquely identify parties to financial transactions, and in January 2013, the LEI Regulatory Oversight Committee was established to

¹ ISO 17442:2012 defines the term "legal entities" to include, but is not limited to, unique parties that are legally or financially responsible for the performance of financial transactions or have the legal right in their jurisdiction to enter independently into legal contracts, regardless of whether they are incorporated or constituted in some other way (e.g., all financial intermediaries, banks and finance companies, all entities that issue equity, debt or other securities for other capital structures, all entities listed on an exchange, all entities under the purview of a financial regulator and their affiliates, subsidiaries, and holding companies, counterparties to financial transactions). It excludes natural persons, but includes governmental organizations and supranationals.

oversee the Global Legal Entity Identifier System. Domestically, the Financial Stability Oversight Council's Data Committee has encouraged U.S. financial regulators to review and incorporate LEIs in their data collections that would most benefit for purposes of improving financial stability monitoring. As the usage of LEI becomes more prominent, it would enable examiners, economists, and financial analysts to perform improved analyses, particularly during stressed market conditions, and would assist the regulatory community and the financial services industry at large, both domestically and internationally. In addition, it is expected that the use of the LEI among the regulators will expand to facilitate better information sharing and coordination regarding domestic financial policy, rulemaking, examinations, reporting requirements, and enforcement actions. The U.S. Commodity Futures Trading Commission, the U.S. Securities and Exchange Commission, and the National Association of Insurance Commissioners have already incorporated LEI in some of their data collections, and the Consumer Financial Protection Bureau has recently proposed replacing the existing Home Mortgage Disclosure Act (HMDA) Reporter's Identification number in HMDA submissions with LEI.² A uniform, global LEI would assist regulators, supervisors, and public researchers and firms to more effectively measure and monitor systemic risk and counterparty exposure, as well as improve operational efficiencies. A single global system would help support the shared objective of a more stable financial system.

While the Federal Reserve has considered retrieving LEI's from the issuers directly, this method has been deemed as ineffective since the associated structure data is very limited at this time. Reconciling the entity's LEI with their current structure data would be difficult and most likely result in inaccuracies given that so many institutions have similar attributes, such as entity

² 79 FR 51731.

names. Therefore, obtaining the LEI directly from the reporting entity is the most reliable source to accurately match an entity with the correct LEI.

The Federal Reserve proposes to add the LEI to the FR Y-6 and FR Y-7 organizational chart effective with fiscal year ends beginning June 30, 2015. Submission of existing LEI information would follow the normal FR Y-6 and FR Y-7 submission deadlines. The Federal Reserve proposes a one-time information collection to populate existing LEI data for all FR Y-10 reportable entities (excluding branches), as of June 30, 2015. Respondents would submit this information no later than September 30, 2015. LEIs issued after June 30, 2015, should be reported on the appropriate FR Y-10 schedules. For all LEIs assigned between June 30, 2015, and September 30, 2015, information must be received at the appropriate Federal Reserve Bank by October 30, 2015. The Federal Reserve would provide a means for institutions to provide their one-time submission data in a format easier than individual FR Y-10 submissions.

Question: Comments are invited on whether collecting existing LEI information only from entities that are reportable on the FR Y-10 would be sufficient rather than collecting LEI information from all entities reportable on the FR Y-6 and FR Y-7 organizational charts.

Board of Governors of the Federal Reserve System, March 16, 2015.

(signed)
Robert deV. Frierson,
Secretary of the Board.
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