



**CODE 6714-01**

**FEDERAL DEPOSIT INSURANCE CORPORATION**

**Agency Information Collection Activities: Submission for OMB Review; Comment Request (3064-0006 & -0184)**

**AGENCY:** Federal Deposit Insurance Corporation (FDIC).

**ACTION:** Notice and request for comment.

**SUMMARY:** The FDIC, as part of its continuing effort to reduce paperwork and respondent burden, invites the general public and other Federal agencies to take this opportunity to comment on the renewal of existing information collections, as required by the Paperwork Reduction Act of 1995. On January 11, 2017, the FDIC requested comment for 60 days on a proposal to renew the information collections described below. No comments were received. The FDIC hereby gives notice of its plan to submit to OMB a request to approve the renewal of these collections, and again invites comment on this renewal.

**DATES:** Comments must be submitted on or before **[INSERT DATE 30 DAYS FROM PUBLICATION IN THE FEDERAL REGISTER]**.

**ADDRESSES:** Interested parties are invited to submit written comments to the FDIC by any of the following methods:

- <http://www.FDIC.gov/regulations/laws/federal/notices.html>.
- Email: comments@fdic.gov. Include the name and number of the collection in the subject line of the message.
- Mail: Manny Cabeza (202-898-3767), Counsel, MB-3007, or Jennifer Jones (202-898-6768), Counsel, MB-3105, Federal Deposit Insurance Corporation, 550 17th Street NW, Washington, DC 20429.
- Hand Delivery: Comments may be hand-delivered to the guard station at the rear of the 17th Street Building (located on F Street), on business days between 7:00 a.m. and 5:00 p.m.

All comments should refer to the relevant OMB control number. A copy of the comments may also be submitted to the OMB desk officer for the FDIC: Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, DC 20503.

**FOR FURTHER INFORMATION CONTACT:** Manny Cabeza or Jennifer Jones, at the FDIC address above.

**SUPPLEMENTARY INFORMATION:** On January 11, 2017, (82 FR 3315), the FDIC requested comment for 60 days on a proposal to renew the information collections described below. No comments were received. The FDIC hereby gives notice of its plan

to submit to OMB a request to approve the renewal of these collections, and again invites comment on this renewal.

Proposal to renew the following currently approved collections of information:

1. Title: Interagency Biographical and Financial Report.

OMB Number: 3064-0006.

Form Number: Interagency Biographical and Financial Report.

Affected Public: Insured State Nonmember Banks and State Savings Associations.

Burden Estimate:

Type of Burden	Estimated Number of Respondents	Estimated Time per Response	Frequency of Response	Total Annual Estimated Burden
Reporting	574	4	On Occasion	2,296 hours

General Description of Collection: The Report is submitted to the FDIC by: (1) each individual director, officer or individual or group of shareholders acting in concert that will own or control 10% or more of a proposed or operating depository institution applying for FDIC deposit insurance; (2) a person proposing to acquire control of an insured state nonmember bank or state savings association (FDIC-supervised institution); (3) each proposed new director or proposed new chief executive officer of an FDIC-supervised institution which has undergone a change in control within the preceding twelve months; and (4) each proposed new director or senior executive officer of an FDIC-supervised institution that is not in compliance with the applicable capital requirements or is otherwise in a troubled

condition. The information is used by the FDIC to make an evaluation of the general character and financial condition of individuals who will be involved in the management or control of financial institutions, as required by statute. In order to lessen the burden on applicants, the FDIC cooperates with the other federal banking agencies to the maximum extent possible in processing the various applications. Notably, the Interagency Biographical and Financial Report will be amended to remove all references to the Office of Thrift Supervision as it appears on the form as well as changing the term “thrift” to “savings association.” These changes are technical and non-substantive in nature.

There is no change in the method or substance of the collection. The overall reduction in burden hours is a result of economic fluctuation. In particular, the number of respondents has decreased while the hours per response remain the same.

2. Title: Prohibitions and Restrictions on Proprietary Trading and Certain Interests In and Relationships With, Hedge Funds and Private Equity Funds.

OMB Number: 3064-0184.

Form Number: None.

Affected Public: Insured state nonmember banks not under a holding company; state savings associations and state savings banks not under a holding company; subsidiaries of state nonmember banks, state savings associations, and state

savings banks not under a holding company; and foreign banks having an insured branch and their branches and agencies.

Burden Estimate:

	Type of Burden	Estimated Number of Respondents	Estimated Time per Response	Frequency of Response	Total Annual Estimated Burden
<b>IMPLEMENTATION</b>					
§351.12(e)	Reporting	1	50	1	50 hours
<u>Total Reporting</u>					<u>50 hours</u>
§351.3(d)(3)	Recordkeeping	1	3	1	3 hours
§351.4(b)(3)(i)(A)	Recordkeeping	1	2	4	8 hours
§351.11(a)(2)	Recordkeeping	1	10	1	10 hours
§351.20(b)	Recordkeeping	1	795	1	795 hours
§351.20(e)	Recordkeeping	1	200	1	200 hours
§351.20(f)(1)	Recordkeeping	1	8	1	8 hours
§351.20(f)(2)	Recordkeeping	1	100	1	100 hours
<u>Total Recordkeeping</u>					<u>1,124 hours</u>
§351.11(a)(8)(i)	Disclosure	1	0.1	26	3 hours
<u>Total Disclosure</u>					<u>3 hours</u>
<b>TOTAL IMPLEMENTATION</b>					<u>1,177 hours</u>
<b>ONGOING</b>					
§351.12(e)	Reporting	18	20	10	3,600 hours
<u>Total Reporting</u>					<u>3,600 hours</u>
§351.3(d)(3)	Recordkeeping	18	1	1	18 hours
§351.4(b)(3)(i)(A)	Recordkeeping	18	2	4	144 hours
§351.11(a)(2)	Recordkeeping	18	10	1	180 hours
§351.20(b)	Recordkeeping	5	265	1	1,325 hours
§351.20(e)	Recordkeeping	5	200	1	1,000 hours
§351.20(f)(1)	Recordkeeping	819	8	1	6,552 hours
§351.20(f)(2)	Recordkeeping	18	40	1	720 hours
<u>Total Recordkeeping</u>					<u>9,939 hours</u>
§351.11(a)(8)(i)	Disclosure	18	0.1	26	47 hours
<u>Total Disclosure</u>					<u>47 hours</u>

TOTAL ONGOING					<u>13,586 hours</u>
<b>Total Estimated Annual Burden</b>					<b>14,763 hours</b>

General Description of Collection: Subject to certain exemptions, banking entities are generally prohibited from engaging in proprietary trading or from investing in, sponsoring, or having certain relationships with a hedge fund or private equity fund (“covered fund”). The Covered entities must retain certain records for a period that is no less than 5 years in a form that allows the prompt production of such records to the FDIC on request. The information collection requirements affecting FDIC-supervised institutions are summarized below.

Reporting Requirements

Section 351.12(e) states that, upon application, a banking entity may obtain an extension of the period of time to meet the requirements on ownership limitations in this section for up to 2 additional years.

Recordkeeping Requirements

Section 351.3(d)(3) requires covered entities to have a detailed written liquidity management plan that specifically contemplates and authorizes certain otherwise prohibited securities to be used for liquidity management purposes.

Section 351.4(b)(3)(i)(A) provides that a trading desk or other organizational unit of another entity with more than \$50 billion in trading assets and liabilities is not a client, customer, or counterparty unless the trading desk documents how and why a particular trading desk or other organizational unit of the entity should be

treated as a client, customer, or counterparty of the trading desk for purposes of § 351.4(b).

Section 351.11(a)(2) requires that covered funds generally must be organized and offered only in connection with the provision of bona fide trust, fiduciary, investment advisory, or commodity trading advisory services and only to persons that are customers of such services of the banking entity, pursuant to a written plan or similar documentation outlining how the banking entity intends to provide advisory or other similar services to its customers through organizing and offering the covered fund.

Section 351.20(b) specifies the contents of a required compliance program for a banking entity with total consolidated assets of \$10 billion or more including a provision requiring that records sufficient to demonstrate compliance with section 13 of the BHC Act and applicable regulations be maintained and retained for a period of no less than 5 years or such longer period as required by FDIC.

Section 351.20(e) specifies that any banking entity that has more than \$10 billion in total consolidated assets as reported on December 31 of the previous two calendar years shall maintain records documenting the determination that each fund sponsored by the banking entity (including all subsidiaries and affiliates) is not a covered fund. Banking entities must also maintain a written plan documenting the treatment of certain seeding vehicles described in the regulation

and, under certain circumstances, documentation of the value of the ownership interests owned by the banking entity in certain foreign public fund and each jurisdiction in which any such foreign public fund is organized..

Section 351.20(f)(1) applies to banking entities with no covered activities. A banking entity that does not engage in activities or investments pursuant to subpart B or subpart C (other than trading activities permitted pursuant to §351.6(a) of subpart B) may satisfy the requirements of this section by establishing the required compliance program prior to becoming engaged in such activities or making such investments (other than trading activities permitted pursuant to §351.6(a) of subpart B).

Section 351.20(f)(2) applies to banking entities with modest activities. A banking entity with total consolidated assets of \$10 billion or less as reported on December 31 of the previous two calendar years may satisfy the requirements of this section by including in its existing compliance policies and procedures appropriate references to the statutory and regulatory requirements and adjustments as appropriate given the activities, size, scope and complexity of the banking entity.

#### Disclosure Requirements

Section 351.11(a)(8)(i) requires that a banking entity make certain clear and conspicuous written disclosures to any prospective and actual investor in a

covered fund (such as through disclosure in the covered fund's offering documents).

There is no change in the method or substance of this information collection. The annual burden estimate has been reduced from 28,234 hours to 17,763 hours primarily because the FDIC estimates that all FDIC-supervised institutions have now completed the implementation phase of the information collection and are no longer subject to that burden. FDIC is using one (1) respondent as a place-holder for implementation burden. Another reason for the reduction in burden is that fewer institutions are subject to reporting, recordkeeping and disclosure requirements. The foregoing reductions in burden more than offset a modest increase in burden attributable to: (i) one additional institution growing in size to a degree that now makes it subject to 12 CFR 351.20(b) and (e) recordkeeping requirements; and (ii) an agency adjustment in its estimate of respondents affected by the recordkeeping requirements in 12 CFR 351.20(f)(1) due to the inadvertent omission of a class of respondents in its prior estimate.

#### Request for Comment

Comments are invited on: (a) Whether the collections of information are necessary for the proper performance of the FDIC's functions, including whether the information has practical utility; (b) the accuracy of the estimates of the burden of the information collections, including the validity of the methodology and assumptions used; (c) ways to enhance the quality, utility, and clarity of the information to be collected; and (d) ways to

minimize the burden of the collections of information on respondents, including through the use of automated collection techniques or other forms of information technology. All comments will become a matter of public record.

Dated at Washington, DC, this 24<sup>th</sup> day of April, 2017.

Federal Deposit Insurance Corporation

Robert E. Feldman,

Executive Secretary.

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