



## **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:** The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend for three years, with revision the Annual Daylight Overdraft Capital Report for U.S. Branches and Agencies of Foreign Banks (FR 2225; OMB No. 7100-0216). The revisions are applicable as of October 1, 2020.

### **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.

Office of Management and Budget (OMB) Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17<sup>th</sup> Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

A copy of the Paperwork Reduction Act (PRA) OMB submission, including the reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files. These documents also are available on the Federal Reserve Board's public website at <https://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears above.

**SUPPLEMENTARY INFORMATION:** On June 15, 1984, OMB delegated to the Board authority under the PRA to approve and assign OMB control numbers to collections of information conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the PRA Submission, supporting statements, and approved collection of information instrument(s) are placed into OMB's public docket files.

**Final Approval under OMB Delegated Authority of the Extension for Three Years, With Revision, of the Following Information Collection:**

*Report title:* Annual Daylight Overdraft Capital Report for U.S. Branches and Agencies of Foreign Banks.

*Agency form number:* FR 2225.

*OMB control number:* 7100-0216.

*Effective Date:* October 1, 2020.

*Frequency:* Annually.

*Respondents:* Foreign banking organizations (FBOs).

*Estimated number of respondents:* 51.

*Estimated average hours per response:* 1.

*Estimated annual burden hours:* 51.

*General description of report:* The FR 2225 is required for FBOs that wish to and are eligible to establish a non-zero net debit cap for their U.S. branches and agencies under the Federal Reserve Policy on Payment System Risk (PSR policy). The FR 2225 reporting form collects information needed to identify the respondent and its fiscal year-end, and collects four items to determine its year-end capital and assets for purposes of daylight overdraft monitoring. The four items, converted into U.S. dollars collected for the capital and assets determination, are: worldwide capital for the reporting FBO (item 1); an adjustment to avoid double counting of capital used by any direct or indirect subsidiary of the FBO that also has access to Fedwire and has its own net debit cap (item 2); the FBO's total daylight overdraft capital base for the U.S. branch and agency family (item 3), which is used to calculate the net debit cap; and the reporting FBO's total worldwide assets (item 4). The Reserve Banks use items 1 and 2 as supplemental information to clarify the data reported in item 3. Federal Reserve staff use the assets data reported in item 4 for analytical purposes.

*Legal authorization and confidentiality:* This information collection is authorized pursuant to section 7(a) of the International Banking Act, 12 U.S.C. 3105(a), which establishes reserve requirements for U.S. branches and agencies of foreign banks, and pursuant to section 13(14) of the Federal Reserve Act (FRA), 12 U.S.C. 347d, which provides that “each Federal Reserve bank may receive deposits from, discount paper endorsed by, and make advances to any branch or agency of a foreign bank in the same manner and to the same extent that it may exercise such powers with respect to a member bank if such branch or agency is maintaining reserves with such Reserve bank pursuant to section 7 of the International Banking Act of 1978.” In addition, sections 11(i), 16, and 19(f) of the FRA, 12 U.S.C. 248(i), 248–1, and 464, continue to provide authority for the collection of the FR 2225. The obligation to respond is required to obtain a benefit (i.e., this information is required in order for an FBO to establish a non-zero net debit cap so that its U.S. branches or agencies may be eligible for intraday credit).

The Board does not consider the information collected on the FR 2225 report to be confidential, and the completed version of this report generally is made available to the public upon request. However, in certain instances, specific information collected on an individual FBO’s FR 2225 report may be exempt from disclosure pursuant to exemption 4 of the Freedom of Information Act (FOIA), which protects from public disclosure “trade secrets and commercial or financial information obtained from a person and privileged or confidential” (5 U.S.C. 552(b)(4)). A request for confidential treatment must be submitted by the FBO in writing concurrently with the submission of the FR 2225 report. This written request must identify the specific data for which confidential treatment is sought and must provide the legal justification for the confidentiality request, as provided in the Board’s Rules Regarding Availability of Information (12 CFR part 261). The Federal Reserve will review each confidential treatment request on a case-by-case basis to determine if confidential treatment is appropriate. Under the Board’s current rules, the Federal Reserve may subsequently release information for which confidential treatment was requested, if (1) disclosure of such information

is required by law (other than 5 U.S.C. 552); (2) the request for confidential treatment (“request”) was made by the FBO pursuant to 5 U.S.C. 552(b)(4) and more than 10 years have passed since the request; or (3) less than 10 years have passed since the request, but the Board believes that the information cannot be withheld from disclosure under 5 U.S.C. 552(b)(4), and the FBO is provided with written notice of the Board’s views and with an opportunity to object to the Board’s disclosure.

*Current actions:* On June 29, 2020, the Board published a notice in the *Federal Register* (85 FR 38896) requesting public comment for 60 days on the extension, with revision, of the Annual Daylight Overdraft Capital Report for U.S. Branches and Agencies of Foreign Banks. The Board revised the instructions to remove references to an FBO’s strength of support assessment (SOSA) ranking and its status as a financial holding company (FHC). These changes are related to the revisions to the PSR policy, which the Board implemented on April 1, 2019, and which will take effect on October 1, 2020. The SOSA ranking and FHC status are no longer used for determining an FBO’s eligibility for a positive net debit cap, the size of its net debit cap, and its eligibility to request a streamlined procedure to obtain maximum daylight overdraft capacity. The comment period for this notice expired on August 28, 2020. The Board did not receive any comments. The revisions will be implemented as proposed.

Board of Governors of the Federal Reserve System, November 16, 2020.

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**Michele Taylor Fennell,**

*Deputy Associate Secretary of the Board.*

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