



## **Agency Information Collection Activities: Announcement of Board Approval under Delegated Authority and Submission to OMB**

**AGENCY:** Board of Governors, 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 Reporting Requirements Associated with Regulation XX (FR XX; OMB No. 7100-0363) and the Financial Company (as defined) Report of Consolidated Liabilities (FR XX-1; OMB No. 7100-0363). The revisions are effective immediately.

### **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.

**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.

The OMB inventory, as well as copies of the PRA Submission, supporting statements, and approved collection of information instrument(s) are available at

<https://www.reginfo.gov/public/do/PRAMain>. These documents are also 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.

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

*Report title:* Reporting Requirements Associated with Regulation XX; Financial Company (as defined) Report of Consolidated Liabilities.

*Agency form number:* FR XX; FR XX-1.

*OMB control number:* 7100-0363.

*Frequency:* Event-generated; annual.

*Respondents:* Insured depository institutions, bank holding companies, savings and loan holding companies, any other companies that control insured depository institutions, nonbank financial companies designated by the Financial Stability Oversight Council (Council) for supervision by the Board, or foreign banks or companies that are treated as a bank holding company for purposes of the Bank Holding Company Act of 1956 (BHC Act); Certain financial companies that do not otherwise report consolidated financial information to the Board or another Federal banking agency.

*Estimated number of respondents:* FR XX (Section 251.3(e)) - 1; FR XX (Sections 251.4(b) and (c)) - 1; FR XX-1 - 37.

*Estimated average hours per response:* FR XX (Section 251.3(e)) - 6; FR XX (Sections 251.4(b) and (c)) - 20; FR XX-1 - 2.

*Estimated annual burden hours:* FR XX (Section 251.3(e)) - 6; FR XX (Sections 251.4(b) and (c)) - 20; FR XX-1 - 74.

*General description of report:* The Board's Regulation XX - Concentration Limit (12 CFR Part 251) implements section 14 of the BHC Act,<sup>1</sup> which establishes a financial sector concentration limit that generally prohibits a financial company from merging or consolidating with, or otherwise acquiring, another company if the resulting company's liabilities upon consummation

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<sup>1</sup> 12 U.S.C. 1852.

would exceed 10 percent of the aggregate liabilities of all financial companies (a covered acquisition). Under section 14 of the BHC Act and Regulation XX, a financial company means (1) an insured depository institution, (2) a bank holding company, (3) a savings and loan holding company, (4) any other company that controls an insured depository institution, (5) a nonbank financial company designated by the Council for supervision by the Board, or (6) a foreign bank or company that is treated as a bank holding company for purposes of the BHC Act.

Regulation XX includes certain reporting requirements that apply to financial companies, and the FR XX-1 collects information from certain financial companies that do not otherwise report consolidated financial information to the Board or another Federal banking agency.

*Legal authorization and confidentiality:* The FR XX and the FR XX-1 are authorized by section 14 of the BHC Act, which, in relevant part, expressly authorizes the Board to issue “regulations implementing this section” and “interpretations or guidance regarding the application of this section to an individual financial company or to financial companies in general” (12 U.S.C. 1852(d)). The Board also has the authority to require reports from bank holding companies (12 U.S.C. 1844(c)), savings and loan holding companies (12 U.S.C. 1467a(b) and (g)), state member banks (12 U.S.C. 248(a) and 324), and state-licensed branches and agencies of foreign banks, other than insured branches (12 U.S.C. 3105(c)(2)). The obligation to respond is mandatory.

Individual respondents may request that information submitted to the Board through the FR XX or FR XX-1 be kept confidential. If a respondent requests confidential treatment, the Board will determine whether the information is entitled to confidential treatment on a case-by-case basis. To the extent a respondent submits nonpublic commercial or financial information in connection with the FR XX or FR XX-1, which is both customarily and actually treated as private by the respondent, the respondent may request confidential treatment pursuant to exemption 4 of the Freedom of Information Act (FOIA) (5 U.S.C. 552(b)(4)). The entity should separately designate such information as “confidential commercial information” or “confidential

financial information” as appropriate, and the Board will treat such designated information as confidential to the extent permitted by law, including the FOIA.

*Current actions:* On August 21, 2020, the Board published a notice in the *Federal Register* (85 FR 51713) requesting public comment for 60 days on the extension, with revision, of the FR XX and FR XX-1. The Board proposes to revise the FR XX to account for the reporting provision located at section 251.3(e). This provision of the regulation implements the Council’s recommendation to allow a financial company that does not use U.S. generally accepted accounting principles (GAAP) to use another appropriate accounting standard or method of estimation for determining compliance with section 14 of the BHC Act, while ensuring that the Board has an opportunity to review the appropriateness of the company’s proposed approach. The Board proposes to revise the due date for the FR XX-1 report. The FR XX-1 implements section 251.6(a) of Regulation XX, which requires a financial company that does not otherwise report consolidated financial information to the Board or another Federal banking agency to report to the Board its consolidated liabilities as of the previous calendar year-end. Regulation XX provides that this report must be submitted by March 31 of each year. However, the instructions to the FR XX-1 currently state that the report must be submitted 90 calendar days after the December 31 as of date or, if the submission deadline falls on a weekend or holiday, the first business day after the weekend or holiday. Under these instructions, the FR XX-1 could be due prior to March 31 (in a leap year) or after March 31 (if March 31 falls on a weekend or holiday). In order to ensure that the due date of the FR XX-1 coincides with the date set forth in Regulation XX, the Board proposes to revise the FR XX-1 so that it is due by March 31 of the year following the December 31 as of date. The comment period for this notice expired on October 20, 2020. The Board did not receive any comments. The revisions will be implemented as proposed.

**Michele Taylor Fennell,**

*Deputy Associate Secretary of the Board.*

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