



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, without revision, the Recordkeeping, Disclosure, and Reporting Requirements Associated with Securities Transactions Pursuant to Sections 208.34(c), (d), and (g) of Regulation H (FR H-3; OMB No. 7100-0196).

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 17th 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, Without Revision, of the Following Information Collection:

Report title: Recordkeeping, Disclosure, and Reporting Requirements Associated with Securities Transactions Pursuant to Sections 208.34(c), (d), and (g) of Regulation H.

Agency form number: FR H-3.

OMB control number: 7100-0196.

Frequency: Event-generated, quarterly.

Respondents: State member banks (SMBs), SMB officers/employees.

Estimated number of respondents: SMBs (de novo): 1; SMBs with trust departments: 209; SMBs without trust departments: 545; SMB officers/employees: 2,389.

Estimated average hours per response: SMBs (de novo): recordkeeping, 40 hours. SMBs with trust departments: recordkeeping, 2 hours; disclosure, 16 hours. SMBs without trust departments: recordkeeping, 15 minutes; disclosure, 5 hours. SMB officers/employees: reporting, 2 hours.

Estimated annual burden hours: SMBs (de novo): recordkeeping, 40 hours. SMBs with trust departments: recordkeeping, 10,032 hours; disclosure, 40,128 hours. SMBs without trust departments: recordkeeping, 3,815 hours; disclosure, 32,700 hours. SMB officers/employees: reporting, 19,112 hours.

General description of report: Section 15C of the Securities Exchange Act of 1934 (the Act), establishes federal regulation of brokers and dealers of government securities, including banks and other financial institutions, and directs those brokers and dealers to keep certain records.¹ These requirements are implemented for SMBs by sections 208.34(c), (d), and (g) of the Board's Regulation H, which require that non-exempt state member banks² effecting securities transactions for customers establish and maintain a system of records of these transactions,

¹ 12 U.S.C. 78o-5(a), (d).

² The requirements of section 208.34 of Regulation H apply to all SMBs that effect more than 500 government securities brokerage transactions per year, unless the institution has filed a written notice, or is required to file notice, with the Board that it acts as a government securities broker or a government securities dealer. These requirements also do not apply to activities of foreign branches of SMBs; activities of nonmember, non-insured trust company subsidiaries of bank holding companies; or activities that are subject to regulations promulgated by the Municipal Securities Rulemaking Board. In addition, SMBs with an annual average of less than 200 securities transactions for customers over the prior three calendar years (exclusive of transactions in U.S. government and agency obligations) are exempt from these Regulation H recordkeeping, disclosure, and reporting requirements. *See* 12 CFR 208.34(a)(1)(i)-(iv).

furnish confirmations of transactions to customers that disclose certain information, and establish written policies and procedures relating to securities trading.

Legal authorization and confidentiality: FR H-3 is authorized pursuant to Section 23 of the Act³, which empowers the Board to make rules and regulations implementing those portions of the Act for which it is responsible. Because these records and disclosures would be maintained at each banking organization, the Freedom of Information Act (FOIA) would only be implicated if the Board obtained such records as part of the examination or supervision of a banking organization. In the event the records are obtained by the Board as part of an examination or supervision of a financial institution, this information may be considered confidential pursuant to exemption 8 of the FOIA, which protects information contained in “examination, operating, or condition reports” obtained in the bank supervisory process.⁴ In addition, the information may also be kept confidential under exemption 4 for the FOIA, which protects commercial or financial information obtained from a person that is privileged or confidential.⁵

Current actions: On October 14, 2020, the Board published a notice in the *Federal Register* (85 FR 65047) requesting public comment for 60 days on the extension, without revision, of FR H-3. The comment period for this notice expired on December 14, 2020. The Board did not receive any comments.

Board of Governors of the Federal Reserve System, February 10, 2021.

Michele Taylor Fennell,

Deputy Associate Secretary of the Board.

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³ 15 U.S.C. 78w. The Board also has the authority to require reports from SMBs (12 U.S.C. 248(a) and 324).

⁴ 5 U.S.C. 552(b)(8).

⁵ 5 U.S.C. 552(b)(4).