



[FR 2052a; OMB No. 7100-0361]

Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Notice, request for comment.

SUMMARY: The Board of Governors of the Federal Reserve System (Board) invites comment on a proposal to extend for three years, with revision, the Complex Institution Liquidity Monitoring Report.

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 2052a, by any of the following methods:

- Agency Website: <https://www.federalreserve.gov/>. Follow the instructions for submitting comments at <https://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- E-mail: regs.comments@federalreserve.gov. Include the OMB number in the subject line of the message.
- FAX: (202) 452-3819 or (202) 452-3102.
- Mail: Ann E. Misback, Secretary, Board of Governors of the Federal Reserve System, 20th Street and Constitution Avenue, NW, Washington, DC 20551.

All public comments are available from the Board's website at

<https://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons or to remove personally identifiable information at the commenter's request.

Accordingly, comments will not be edited to remove any identifying or contact information.

Public comments may also be viewed electronically or in paper in Room 146, 1709 New York Avenue, NW, Washington, DC 20006, between 9:00 a.m. and 5:00 p.m. on weekdays. For security reasons, the Board requires that visitors make an appointment to inspect comments.

You may do so by calling (202) 452-3684. Upon arrival, visitors will be required to present valid government-issued photo identification and to submit to security screening in order to inspect and photocopy comments.

Additionally, commenters may send a copy of their comments to the 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.

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.

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. In exercising this delegated authority, the Board is directed to take every reasonable step to solicit comment. In determining whether to approve a collection of information, the Board will consider all comments received from the public and other agencies.

A copy of the Paperwork Reduction Act (PRA) OMB submission, including the reporting form and instructions, supporting statement, and other documentation will be available at <https://www.reginfo.gov/public/do/PRAMain>, if approved. These documents will also be made available on the 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.

Request for Comment on Information Collection Proposal

The Board invites public comment on the following information collection, which is being reviewed under authority delegated by the OMB under the PRA. Comments are invited on the following:

- a. Whether the proposed collection of information is necessary for the proper performance of the Board's functions, including whether the information has practical utility;
- b. The accuracy of the Board'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 startup costs and costs of operation, maintenance, and purchase of services to provide information.

At the end of the comment period, the comments and recommendations received will be analyzed to determine the extent to which the Board should modify the proposal.

Proposal under OMB Delegated Authority to Extend for Three Years, With Revision, the Following Information Collection:

Report title: Complex Institution Liquidity Monitoring Report.

Agency form number: FR 2052a.

OMB control number: 7100-0361.

Frequency: Monthly, daily.

Respondents: Certain U.S. bank holding companies (BHCs), top-tier savings and loan holding companies (SLHCs), U.S. global systemically important BHCs, and foreign banking organizations (FBOs).

Estimated number of respondents: Monthly (ongoing): 26, monthly (one-time): 26; daily (ongoing): 15, daily (one-time): 15.

Estimated average hours per response: Monthly (ongoing): 121, monthly (one-time): 140; daily (ongoing): 221, daily (one-time): 238.

Estimated annual burden hours: Monthly (ongoing): 37,752; monthly (one-time): 3,640; daily (ongoing): 828,750; daily (one-time): 3,570.

General description of report: The FR 2052a collects quantitative information on select assets, liabilities, funding activities, and contingent liabilities of certain large banking organizations with \$100 billion or more in total consolidated assets supervised by the Board on a consolidated basis. The Board uses this information to monitor the liquidity profile of these banking organizations.

Proposed revisions: In April 2020, the Board issued an interim final rule that amended the Board's Regulation D (12 CFR part 204 – Reserve Requirements of Depository Institutions). The Regulation D amendment resulted in an expansion of Regulation D's definition of transaction accounts to permit the inclusion of accounts that were formerly subject to transfer limit requirements. For purposes of the FR 2052a, the Board proposes to expand the term "Transactional Accounts" to include the subset of transaction accounts as defined under Regulation D, where the depositor is not required by the deposit contract to give written notice of an intended withdrawal. Specifically, the Board proposes to update the definition for the product "O.D.1: Transactional Accounts," consistent with the updated Regulation D.

In June 2016, the Board, the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) (collectively, the agencies) proposed the net stable funding ratio (NSFR) rule to implement a stable funding requirement for certain large banking organizations that were subject to the liquidity coverage ratio (LCR) rule at that time. The proposed NSFR rule would have introduced a quantitative metric to measure a banking organization's funding stability over a one-year time horizon. The agencies issued two proposals subsequent to issuance of the proposed NSFR rule to revise the criteria for determining the scope of application of the NSFR requirement (tailoring proposals). The agencies issued an NSFR final rule on October 20, 2020, that is generally similar to the proposed NSFR rule, with certain adjustments. The proposed FR 2052a revisions, discussed in detail below, are consistent with the requirements of the NSFR final rule.

The Board proposes the following revisions to the reporting form and instructions of the FR 2052a to accurately reflect the NSFR final rule and to capture other data elements necessary to monitor banking organizations' liquidity positions and compliance with Liquidity Risk Measurement (LRM) Standards. Specifically, the Board proposes to add:

1. The definition of Liquidity Risk Measurement Standards and other clarifications under "General Instructions."
2. Clarifications and regulation references under "Field Definitions."
3. The following Counterparty types under "Field Definitions": Pension Fund; Broker-Dealer; Investment Company or Advisor; Financial Market Utility; Other Supervised Non-Bank Financial Entity; and Non-Regulated Fund; and to remove Supervised Non-Bank Financial Entity and Other Financial Entity.
4. The following fields under "Field Definitions": Business Line; Risk Weight; Collection Reference; Product Reference; Sub-product Reference; Netting Eligible; Encumbrance Type; Collateral Level; Accounting Designation; Loss Absorbency; G-SIB; and Maturity Optionality.
5. A sentence to the description of "flags" under the field "Settlement": "FICC: secured financing transactions that are cleared and novated to the Fixed Income Clearing Corporation (FICC)."
6. The following language to the "Triparty" flag under the field "Settlement": "excluding transactions that originate on the tri-party platform, but are novated to FICC (e.g., the General Collateral Finance repo service)."
7. The following language to the "Bilateral" flag under the field "Settlement": "(excludes transactions that are initiated bilaterally, but subsequently cleared (e.g., FICC delivery-vs-payment transactions)."
8. Clarifications to the general guidance, names, and definitions of products under "I.A: Inflows-Assets"; "I.U: Inflows-Unsecured"; "I.S: Inflows-Secured"; "I.O: Inflows-Other";

“O.W: Outflows-Wholesale”; “O.S: Outflows-Secured”; “O.D: Outflows-Deposits”; “O.O: Outflows-Other”; and “S.FX: Supplemental-Foreign Exchange”.

9. The product I.A.7: Encumbered Assets, which refers to encumbered assets of which the reporting entity is the beneficial owner (i.e., the assets are represented on the accounting balance sheet), that are not otherwise captured under other FR 2052a balance sheet products in the I.A, I.U, or I.S tables.

10. I.U.7: Cash Items in the Process of Collection, which refers to certain items that are customarily cleared or collected as cash items by depository institutions in the country where the covered company’s office that is clearing or collecting the item is located.

11. I.U.8: Unposted Debits, which refers to cash items in a subsidiary depository institution’s possession, drawn on itself, that are immediately chargeable, but that have not been charged to the general ledger deposit control account at the close of business on the report date.

12. I.U.9: Short-Term Investments, which refers to balances, including, but not limited to time deposits, that are held as short-term investments (e.g., reported in schedule HC-B on the FR Y-9C) at external financial counterparties.

13. I.S.7: Outstanding Draws on Secured Revolving Facilities, which refers to the existing loan arising from the drawn portion of a revolving facility (e.g., a general working capital facility) extended by the reporting entity, where the facility is secured by a lien on an asset or pool of assets.

14. I.S.8: Other Secured Loans (Non-Rehypothecatable), which refers to all other secured lending that does not otherwise meet the definitions of the other Inflows-Secured products, for which the collateral received is not contractually rehypothecable.

15. I.S.9: Synthetic Customer Longs, which refers to total return swaps booked in client accounts, where the reporting entity is economically short the underlying reference asset and the client is economically long.

16. I.S.10: Synthetic Firm Sourcing, which refers to total return swaps that are not booked in client accounts, where the reporting entity is economically short the underlying reference asset and the counterparty is economically long.
17. O.S.9: Synthetic Customer Shorts, which refers to total return swaps booked in client accounts, where the reporting entity is economically long the underlying reference asset and the client is economically short.
18. O.S.10: Synthetic Firm Financing, which refers to total return swaps that are not booked in client accounts, where the reporting entity is economically long the underlying reference asset and the counterparty is economically short.
19. O.S.11: Other Secured Financing Transactions, this data field previously was O.S.9, it has been renumbered to be O.S.11. No other aspects of the data field has changed.
20. O.D.5: Excess Balances in Operational Accounts, which refers to deposits from counterparties that are not Retail or Small Business customers that are excluded from the reporting entity's operational deposit amount based on the reporting entity's methodology for identifying excess balances pursuant to 12 CFR 249.4(b)(5).
21. O.D.9: Stable Affiliated Sweep Account Balances, which refers to stable deposit balances held at the reporting entity by a customer or counterparty through a contractual feature that automatically transfers to the reporting entity from an affiliated financial company at the close of each business day the amounts identified under the agreement governing the account from which the amount is being transferred.
22. O.D.10: Less Stable Affiliated Sweep Account Balances, which refers to all other deposit balances, excluding those reported under O.D.9: Stable Affiliated Sweep Account Balances, that are held at the reporting entity by a customer or counterparty as a result of a contractual feature that automatically transfers to the reporting entity from an affiliated financial company at the close of each business day the amounts identified under the agreement governing the account from which the amount is being transferred.

23. S.DC: Supplemental-Derivatives and Collateral table and the associated elements below.
24. S.DC General Guidance, which defines the scope of products to be reported in the Supplemental-Derivatives and Collateral table.
25. S.DC.1: Gross Derivative Asset Values, which refers to the aggregate value of derivative transactions not subject to qualifying master netting agreements that are assets and the net value of derivative transactions within qualifying master netting agreements where the netting sets are assets.
26. S.DC.2: Gross Derivative Liability Values, which refers to the aggregate value of derivative transactions not subject to qualifying master netting agreements that are liabilities and the net value of derivative transactions within qualifying master netting agreements where the netting sets are liabilities.
27. S.DC.3: Derivative Settlement Payments Delivered, which refers to the cumulative value of payments delivered as variation margin on outstanding derivative contracts for the purpose of settling a change in the market value of the contract (e.g., “settled-to-market” derivatives).
28. S.DC.4: Derivative Settlement Payments Received, which refers to the cumulative value of payments received as variation margin on outstanding derivative contracts for the purpose of settling a change in the market value of the contract (e.g., “settled-to-market” derivatives).
29. S.DC.11: Derivative CCP Default Fund Contribution, which refers to the reporting entity’s contributions to a central counterparty’s mutualized loss-sharing arrangement, where the reporting entity’s clearing activity with the central counterparty includes derivative transactions.
30. S.DC.12: Other CCP Pledges and Contributions, which refers to the reporting entity’s asset pledges (e.g., in the form of initial margin) and contributions to a central counterparty’s mutualized loss sharing arrangement, where the reporting entity’s clearing and/or settlement activity with the central counterparty does not include derivative transactions.
31. S.L: Supplemental LRM table and the associated elements below.

32. S.L.2: Subsidiary Liquidity Available for Transfer, which refers to the amount of excess eligible high-quality liquid assets (HQLA) that is held at a subsidiary of the consolidated reporting entity that is determined as transferrable as per sections 22(b)(3)(i)(B), 22(b)(3)(ii)(B) or 22(b)(4)(ii) of the LRM Standards.

33. S.L.6: Liquidity Coverage Ratio, which refers to the reporting entity's LCR calculation, as specified in section 10(c) of the LRM Standards. Only reporting entities that are subject to the LCR on a standalone basis per section 1 of the LRM Standards are required to report this product.

34. S.L.7: Subsidiary Funding That Cannot be Transferred, which refers to the amount of stable funding at a reporting entity's subsidiary that is in excess of the required stable funding amount of that subsidiary, pursuant to the LRM Standards, but cannot be transferred to the reporting entity due to statutory, regulatory, contractual or supervisory restrictions.

35. S.L.8: Subsidiary Funding Available for Transfer, which refers to the amount of stable funding at a reporting entity's subsidiary that is in excess of the required stable funding amount of that subsidiary, pursuant to the LRM Standards, that is determined as transferrable as per section 108(a)(2) of the LRM Standards.

36. S.L.9: Additional Funding Requirement for Off-Balance Sheet Rehypothecated Assets, which refers to a reporting entity's required stable funding amount under section 106(d)(3) of the LRM Standards.

37. S.L.10: Net Stable Funding Ratio, which refers to the reporting entity's NSFR calculation, as specified in section 100(b) of the LRM Standards. Only reporting entities that are subject to the NSFR on a standalone basis per section 1 of the LRM Standards are required to report this product.

38. S.B: Supplemental-Balance Sheet table and the associated elements below.

39. S.B: General Guidance, which explains that the products S.B.1 through S.B.6 represent data elements that are necessary, in tandem with other FR 2052a balance sheet products, to construct an accounting balance sheet.
40. S.B.1: Regulatory Capital Element, which refers to the carrying value of regulatory capital, as defined in section 3 of the LRM Standards, excluding capital instruments already reported in the O.W. table.
41. S.B.2: Other Liabilities, which refers to all other liabilities not otherwise captured under other FR 2052a balance sheet products, including intangible liabilities.
42. S.B.3: Non-Performing Assets, which refers to assets that are past due by more than 90 days or non-accrual.
43. S.B.4: Other Assets, which refers to all other assets not otherwise captured under other FR 2052a balance sheet products, including intangible, life insurance and deferred tax assets.
44. S.B.5: Counterparty Netting, which refers to the value of offsetting of payables and receivables with a single counterparty permissible under section 102 of the LRM Standards that are otherwise reported on a gross basis for the purpose of the FR 2052a.
45. S.B.6: Carrying Value Adjustment, which refers to all other adjustments to the value of FR 2052a balance sheet products necessary to arrive at the carrying value consistent with section 102 of the LRM Standards.
46. The following language to the description of “S.I.3: Gross Client Wires Received,”: “Include transfers of both cash and securities. Use the [Collateral Class] field to differentiate between asset categories.”
47. The following language to the description of “S.I.4: Gross Client Wires Paid,”: “Include transfers of both cash and securities. Use the [Collateral Class] field to differentiate between asset categories.”
48. S.I.6: Subsidiary Liquidity Not Transferrable, which refers to, for U.S. firms that are identified as Category IV banking organizations and foreign banking organizations that are

identified as Category IV foreign banking organizations, a report of the amount of highly liquid assets of each reporting entity's consolidated subsidiaries that are in excess of the subsidiary's modeled net outflows over a 30-day planning horizon and would not be freely transferrable to the parent company due to statutory, regulatory, contractual, or supervisory restrictions (including sections 23A and 23B of the Federal Reserve Act and Regulation W).

Additionally, the Board proposes to reclassify the following items from the Supplemental Information table to the new Supplemental-Derivatives and Collateral and Liquidity Risk Measurement (LRM) tables and include clarifications:

1. S.DC.5: Initial Margin Posted – House, which refers to the fair value of collateral that the reporting entity has posted (total stock by applicable [Collateral Class]) to its counterparties as initial margin on its own proprietary derivatives positions.
2. S.DC.6: Initial Margin Posted – Customer, which refers to the fair value of collateral that the reporting entity has posted (total stock by applicable [Collateral Class]) to its counterparties as initial margin on behalf of customers.
3. S.DC.7: Initial Margin Received, which refers to the fair value of collateral that the reporting entity has received (total stock by applicable [Collateral Class]) from its counterparties as initial margin against both house and customer positions.
4. S.DC.8: Variation Margin Posted – House, which refers to the fair value of collateral that the reporting entity has posted (total stock by applicable [Collateral Class]) to its counterparties as variation margin on its own proprietary derivatives positions.
5. S.DC.9: Variation Margin Posted – Customer, which refers to the fair value of collateral that the reporting entity has posted (total stock by applicable [Collateral Class]) to its counterparties as variation margin on behalf of customers.
6. S.DC.10: Variation Margin Received, which refers to the fair value of collateral that the reporting entity has received (total stock by applicable [Collateral Class]) from its counterparties as variation margin against both house and customer positions.

7. S.DC.13: Collateral Disputes Deliverables, which refers to the fair value of collateral called by the reporting entity's counterparties that the reporting entity has yet to deliver due to a dispute. Disputes include, but are not limited to, valuation of derivative contracts.
8. S.DC.14: Collateral Disputes Receivables, which refers to the fair value of collateral that the reporting entity has called from its counterparties, but has not yet received due to a dispute. Disputes include, but are not limited to, valuation of derivative contracts.
9. S.DC.15: Sleeper Collateral Deliverables, which refers to the fair value of unsegregated collateral that the reporting entity may be required by contract to return to a counterparty because the collateral currently held by the reporting entity exceeds the counterparty's current collateral requirements under the governing contract.
10. S.DC.16: Required Collateral Deliverables, which refers to the fair value of collateral that the reporting entity is contractually obligated to post to a counterparty, but has not yet posted as it has not yet been called by the reporting entity's counterparty.
11. S.DC.17: Sleeper Collateral Receivables, which refers to the fair value of collateral that the reporting entity could call for or otherwise reclaim under legal documentation, but has not yet been called.
12. S.DC.18: Derivative Collateral Substitution Risk, which refers to the potential funding risk arising from the reporting entity's derivative counterparties having the contractual ability to substitute collateral with higher liquidity value currently held by the reporting entity with collateral of lower liquidity value or collateral that the reporting entity cannot monetize either due to liquidity or operational constraints.
13. S.DC.19: Derivative Collateral Substitution Capacity, which refers to the potential funding capacity arising from the reporting entity's contractual ability to substitute collateral with higher liquidity value currently posted to a derivatives counterparty with collateral of lower liquidity value.

14. S.DC.20: Other Collateral Substitution Risk, which refers to the potential funding risk arising from the reporting entity's counterparties of non-derivative transactions having the contractual ability to substitute collateral with higher liquidity value currently held by the reporting entity with collateral of lower liquidity value or collateral that the reporting entity cannot monetize either due to liquidity or operational constraints.
15. S.DC.21: Other Collateral Substitution Capacity, which refers to the potential funding capacity arising from the reporting entity's contractual ability to substitute collateral with higher liquidity value currently posted to a counterparty of a non-derivative transaction with collateral of lower liquidity value.
16. S.L.1: Subsidiary Liquidity That Cannot be Transferred, which refers to the amount of assets of each reporting entity's consolidated subsidiaries that is in excess of the net outflows, calculated pursuant to the LRM Standards, of that consolidated subsidiary that is not freely transferrable to affiliates due to statutory, regulatory, contractual, or supervisory restrictions (including sections 23A and 23B of the Federal Reserve Act and Regulation W).
17. S.L.3: Unencumbered Asset Hedges – Early Termination Outflows, which refers to all cash outflows that would arise from the early termination of a hedge associated with eligible HQLA, as defined in the LRM Standards, reported in the Inflows-Assets table.
18. S.L.4: Non-Structured Debt Maturing in Greater than 30-days – Primary Market Maker, which refers to the debt security buyback outflow amount set forth in the LRM Standards for the reporting entity's non-structured debt issuances.
19. S.L.5: Structured Debt Maturing in Greater than 30-days – Primary Market Maker, which refers to the debt security buyback outflow amount set forth in the LRM Standards for the reporting entity's structured debt issuances.

Lastly, the Board proposes to remove the following sentence from the instructions due to the addition of a data element for the NSFR final rule:

1. In the “General Guidance” paragraphs under the I.U: Inflows-Unsecured and I.S: Inflows-Secured headings: “Exclude assets that secure Covered Federal Reserve Facility Funding.”

Legal authorization and confidentiality: The information collection under the FR 2052a is authorized by section 5 of the Bank Holding Company Act,¹ section 8 of the International Banking Act,² section 10 of the Home Owners’ Loan Act,³ and section 165 of the Dodd Frank Act.⁴ Section 5(c) of the Bank Holding Company Act authorizes the Board to require bank holding companies to submit reports to the Board regarding their financial condition. Section 8(a) of the International Banking Act subjects foreign banking organizations to the provisions of the Bank Holding Company Act. Section 10 of the Home Owners’ Loan Act authorizes the Board to require reports and examine savings and loan holding companies. Section 165 of the Dodd Frank Act requires the Board to establish prudential standards for certain bank holding companies and foreign banking organizations; these standards include liquidity requirements.

The FR 2052a is mandatory. The information collected on the FR 2052a is collected as part of the Board's supervisory process. Therefore, such information is entitled to confidential treatment under exemption 8 of the Freedom of Information Act (FOIA).⁵ Additionally, to the extent a respondent submits nonpublic commercial or financial information, which is both customarily and actually treated as private by the respondent, in connection with the 2052a, the respondent may request confidential treatment pursuant to exemption 4 of the FOIA.⁶

¹ 12 U.S.C. 1844.

² 12 U.S.C. 3106.

³ 12 U.S.C. 1467a.

⁴ 12 U.S.C. 5365.

⁵ 5 U.S.C. 552(b)(8).

⁶ 5 U.S.C. 552(b)(4).

Consultation outside the agency: The Board consulted with the OCC and FDIC in development of the NSFR final rule, which included corresponding revisions to the FR 2052a.

Board of Governors of the Federal Reserve System, March 23, 2021.

Michele Taylor Fennell,

Deputy Associate Secretary of the Board.

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