



## **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 Government Securities Dealers Reports (FR 2004; OMB No. 7100-0003). The revisions will be effective with the first applicable as of date, January 5, 2022.

**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:* Government Securities Dealers Reports: Weekly Report of Dealer Positions (FR 2004A), Weekly Report of Cumulative Dealer Transactions (FR 2004B), Weekly Report of Dealer Financing and Fails (FR 2004C), Weekly Report of Specific Issues (FR 2004SI), Daily Report of Specific Issues (FR 2004SD), Supplement to the Daily Report of Specific Issues (FR 2004SD ad hoc), Daily Report of Dealer Activity in Treasury Financing (FR 2004WI), Settlement Cycle Report of Dealer Fails and Transaction Volumes: Class A (FR 2004FA), Settlement Cycle Report of Dealer Fails and Transaction Volumes: Class B (FR 2004FB), Settlement Cycle Report of Dealer Fails and Transaction Volumes: Class C (FR 2004FC), and Settlement Cycle Report of Dealer Fails and Transaction Volumes (FR 2004FM).

*Agency form number:* FR 2004.

*OMB control number:* 7100-0003.

*Effective Date:* The revisions will be effective with the first applicable as of date, January 5, 2022.

*Frequency:* Weekly, daily, monthly.

*Respondents:* Dealers in the U.S. government securities market.

*Estimated number of respondents:* 24.

*Estimated average hours per response:* FR 2004A, 3.0; FR 2004B, 3.7; FR 2004C, 4.1; FR 2004SI, 2.2; FR 2004SD, 2.2; FR 2004SD ad hoc, 2.0; FR 2004WI, 1.0; FR 2004FA, 1.0; FR 2004FB, 1.0; FR 2004FC, 1.0; and FR 2004FM, 1.5.

*Estimated annual burden hours:* FR 2004A, 3,744; FR 2004B, 4,618; FR 2004C, 5,117; FR 2004SI, 2,746; FR 2004SD, 2,112; FR 2004SD ad hoc, 1,248; FR 2004WI, 3,840; FR 2004FA, 288; FR 2004FB, 288; FR 2004FC, 288; FR 2004FM, 432.

*General description of report:* The Federal Reserve Bank of New York (FRBNY), on behalf of the Federal Reserve System, collects data from primary dealers in the U.S. government securities market. Filing of these data is required to obtain the benefit of primary dealer status. The Federal Reserve uses these data to (1) monitor the condition of the U.S. government securities market in

its Treasury market surveillance and analysis of the market and (2) assist and support the U.S. Department of the Treasury (Treasury) in its role as fiscal agent for Treasury financing operations. In addition, these data are used in the analysis of broad financial conditions and a range of financial stability issues.

*Legal authorization and confidentiality:* The information collected on the FR 2004 series of reports is generally authorized under sections 2A, 12A(c), 14, and 15 of the Federal Reserve Act. Section 2A requires that the Board and the Federal Open Market Committee “maintain long run growth of the monetary and credit aggregates commensurate with the economy's long run potential to increase production, so as to promote effectively the goals of maximum employment, stable prices, and moderate long-term interest rates” (12 U.S.C. 225a). Section 12A(c) further provides that the time, character, and volume of open market operations “shall be governed with a view to accommodating commerce and business and with regard to their bearing upon the general credit situation of the country” (12 U.S.C. 263(c)). Additionally, section 14 authorizes the Federal Reserve Banks to engage in open market operations (12 U.S.C. 353-359). Finally, section 15 permits the Federal Reserve Banks, at the direction of the Secretary of the Treasury, to act as fiscal agents of the United States (12 U.S.C. 391). The Board has implicit authority to collect data to carry out the requirements of the foregoing statutory provisions.<sup>1</sup> Filing the FR 2004 series is a condition of obtaining and retaining primary dealer status. Thus, the obligation to respond is “required to obtain or retain a benefit” because being a primary dealer allows a firm to act as a trading counterparty of the FRBNY in the implementation of its monetary policy.<sup>2</sup>

While aggregate data from certain of the forms in the FR 2004 series will be published, individually identifying information may be kept confidential under exemption 4 and, in certain

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<sup>1</sup> Additionally, depending upon the survey respondent, a more precise statute may authorize the data collection. For example, the Board is authorized to collect information from bank holding companies (and their subsidiaries) under section 5(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1844(c)) and from depository institutions under section 11(a) of the Federal Reserve Act (12 U.S.C. 248(a)).

<sup>2</sup> See 5 CFR 1320.8(b)(3)(iv).

circumstances, exemption 8 of the Freedom of Information Act (FOIA) (5 U.S.C. 552(b)(4) and (b)(8)). Individual respondent data collected through the FR 2004 may be considered confidential pursuant to FOIA exemption 4 to the extent these responses contain nonpublic commercial or financial information, which is both customarily and actually treated as private by the respondent. Moreover, to the extent that the information is “contained in or related to examination, operating, or condition reports prepared by, on behalf of, or for the use of [the Board],” the information may be withheld by the Board under FOIA exemption 8.

*Current actions:* On December 14, 2020, the Board published a notice in the *Federal Register* (85 FR 80786) requesting public comment for 60 days on the extension, with revision, of the FR 2004. The Board proposed to revise the FR 2004 with four additions and two modifications by:

- (1) adding a row to the FR 2004A, B, SI, SD, and WI to account for the new 20 year Treasury bond,
- (2) adding a row to the FR 2004A and two rows to FR 2004B to separately capture Mortgage-Backed Securities (MBS) To-Be-Announced (TBA) and specified pool classifications,
- (3) adding 18 columns to the FR 2004C to capture a split by clearing venue, with maturity tenor applied to each venue classification,
- (4) adding 5 lines to the FR 2004C to separately capture Federal Agency and Government-Sponsored Enterprise (GSE) Residential MBS and Federal Agency and GSE Commercial MBS, and to separate Total lines for Repo and Other Financing Activities,
- (5) revising the FR 2004FA, FB, and FM to capture Federal National Mortgage Association (FNMA) and Federal Home Loan Mortgage Corporation (FHLMC) Uniform MBS (UMBS) and FNMA non-UMBS eligible securities settlement fails and transactions, separate from FHLMC non-UMBS eligible securities settlement fails and transactions, and
- (6) modifying the instructions to provide additional guidance on report consolidation rules for primary dealers when the legal entity serving as a primary dealer is a branch or agency of a

foreign banking organization (FBO) as well as some other minor corrections and edits for improved clarity.

The comment period for this notice expired on February 12, 2021. The Board received 2 comment letters from industry trade associations related to the changes to the FR 2004 reports. Both commenters requested that the effective date of the changes be extended, with one commenter requesting a phased approach beginning in the fourth quarter 2021 and the other commenter recommending a January 2022 effective date. The Board agreed and clarified that the changes will become effective with the first applicable as of date, January 5, 2022. One commenter recommended that the FR 2004 report instructions and FAQs be updated to reflect the proposed changes. The revised report forms, instructions, and FAQ document will be made available in final form on the Board's public website. Aside from the changes discussed above, the Board will adopt the extension, with revision, of the FR 2004 as originally proposed.

Board of Governors of the Federal Reserve System, April 29, 2021.

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**Michele Taylor Fennell,**

*Deputy Associate Secretary of the Board.*

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