



Proposed Agency Information Collection Activities; Comment Request

AGENCY: Board of Governors of the Federal Reserve System (Board)

ACTION: Notice and request for comment.

SUMMARY: In accordance with the requirements of the Paperwork Reduction Act of 1995 (PRA), the Board, the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) (collectively, the “agencies”) may not conduct or sponsor, and the respondent is not required to respond to, an information collection unless it displays a currently valid Office of Management and Budget (OMB) control number. The Federal Financial Institutions Examination Council (FFIEC), of which the agencies are members, has approved the Board’s publication, on behalf of the agencies, for public comment of a proposal to revise and extend the Country Exposure Report for U.S. Branches and Agencies of Foreign Banks (FFIEC 019), which is currently an approved collection of information. The agencies are proposing revisions to the FFIEC 019 that would take effect March 31, 2022, as discussed in the Section II, Current Actions, below. In determining whether to modify the proposed collection of information, the agencies will consider all comments received. As required by the PRA, the Board would then publish a second Federal Register notice for a 30-day comment period and submit the final FFIEC 019 clearance package to OMB for review and approval.

DATES: Comments must be submitted on or before [INSERT DATE 60 DAYS AFTER DATE OF PUBLICATION IN THE FEDERAL REGISTER].

ADDRESSES: Interested parties are invited to submit written comments, identified by “FFIEC 019,” 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>.

- Email: regs.comments@federalreserve.gov. Include the reporting form 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 OMB desk officer for the agencies by mail to the Office of Information and Regulatory Affairs, U.S. Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street, NW, Washington, DC 20503; by fax to (202) 395-6974; or by email to oir_submission@omb.eop.gov.

FOR FURTHER INFORMATION CONTACT: For further information about the proposed extension with revision of the FFIEC 019 discussed in this notice, please contact the agency staff member whose name appears below. In addition, a copy of the

FFIEC 019 form can be obtained at the FFIEC's website

(https://www.ffiec.gov/ffiec_report_forms.htm).

Nuha Elmaghribi, Federal Reserve Board Clearance Officer, (202) 452-3884, Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, 20th and C Streets, NW, Washington, DC 20551. Telecommunications Device for the Deaf users may call (202) 263-4869.

SUPPLEMENTARY INFORMATION: The Board is proposing to extend for three years, with revision, the FFIEC 019.

Report Title: Country Exposure Report for U.S. Branches and Agencies of Foreign Banks.

Form Number: FFIEC 019.

OMB control number: 7100-0213.

Frequency of Response: Quarterly.

Affected Public: Business or other for-profit.

Respondents: All branches and agencies of foreign banks domiciled in the United States with total direct claims on foreign residents in excess of \$30 million.

Estimated Number of Respondents: Ongoing: 147; one-time: 20.

Estimated Average Burden per Response: Ongoing: 10 hours; one-time: 4 hours.

Estimated Total Annual Burden: Ongoing: 5,880 hours; one-time: 320 hours.

I. General Description of Report

This information collection is required pursuant to sections 7 and 13 of the International Banking Act (12 U.S.C. 3105 and 3108) for the Board, sections 7 and 10 of the Federal Deposit Insurance Act (12 U.S.C. 1817 and 1820) for the FDIC, and the National Bank Act (12 U.S.C. 161) as applied through section 4 of the International Banking Act (12 U.S.C. 3102) for the OCC. The FFIEC 019 is given confidential treatment consistent with 5 U.S.C. 552(b)(4) and (b)(8).

The FFIEC 019 report must be filed by each U.S. branch or agency of a foreign bank that has total direct claims on foreign residents in excess of \$30 million. The branch or agency reports its total exposure (1) to residents of its home country, and (2) to the other five foreign nations to which its exposure is largest and is at least \$20 million. The home country exposure must be reported regardless of the size of the total claims for that nation.

Each respondent must report by country, as appropriate, the information on its direct claims (assets such as deposit balances with banks, loans, or securities), indirect claims (which include guarantees), and total adjusted claims on foreign residents, as well as information on commitments. The respondent also must report information on claims on related non-U.S. offices that are included in total adjusted claims on the home country, as well as a breakdown for the home country and each other reported country of adjusted claims on unrelated foreign residents by the sector of borrower or guarantor, and by maturity (in two categories: one year or less, and over one year). The Board collects and processes this report on behalf of all three agencies.

II. Current Actions

The FFIEC has approved the Board's publication for public comment of a proposal to revise and extend for three years the FFIEC 019. The agencies propose to revise the FFIEC 019 by removing the five-country limit on the reporting of gross claims on foreign nations to which the U.S. branch or agency of a foreign bank has its largest total exposures of at least \$20 million.

Removal of the five-country reporting limit would allow supervisors to collect information on all foreign countries for which the U.S. branch or agency of a foreign bank has exposure of \$20 million or above. The existing five-country limit was implemented at a time when U.S. branches and agencies of foreign banks had a smaller presence in the U.S. and their exposures to foreign nations were limited to

their home country and one or two other nations where the U.S. branch or agency conducted transactions primarily for financing trade. Currently, there are larger U.S. branches and agencies of foreign banks that conduct a wider range of transactions as part of the parent bank's global strategy. For example, some U.S. branches are now an integral part of the parent bank's capital market operations engaging in funding transactions between off-shore countries and other branches of the parent bank in other regions, such as Europe, Asia, and Latin America.

According to the most recent FFIEC 019 data, a number of U.S. branches and agencies of foreign banks had a fifth-country reported exposure above \$50 million, and seven respondents had a fifth-country exposure above \$1 billion. This data provides evidence that the five-country limit could be excluding sizeable foreign exposures. The proposed revision would facilitate consistency of reporting across institutions for key components of foreign country exposure. The additional reported data would allow supervisors to compare the amount of one institution's exposures to those of its peers for a country or set of countries, to analyze the aggregate exposure of U.S. banks to foreign creditors, and to monitor trends in exposures.

The existing FFIEC 019 report form and instructions would be revised to reflect removal of the five-country reporting limit. Specifically, references to "other five foreign nations to which its exposure is largest and is at least \$20 million" would be revised to read "other foreign nations to which its exposure is at least \$20 million." The existing report form would be revised to permit more than five line items to report foreign countries for which the total adjusted claims is largest and is greater than or equal to \$20 million. For consistency with other FFIEC reports, the FFIEC 019 report form would be revised to add the list of countries and codes that are currently reflected on the Country Exposure Report (FFIEC 009). The instructions would be updated to

direct respondents to leave columns blank for countries below the disclosure threshold of \$20 million.

The agencies estimate that, for the approximately 20 financial institutions expected to have more than five foreign country exposures of at least \$20 million to report, the proposed revision would impose, on average, a 4-hour implementation burden to update each firm's reporting systems and practices. The estimated number of institutions with additional exposures to report is based on the number of respondents that reported five foreign exposures of at least \$20 million as of year-end 2020. Once reporting systems are updated, the agencies believe that ongoing burden will not substantially change because any increase in the total number of foreign exposures reported would be approximately offset by the simplified assessment to determine which foreign exposures to report. The estimated total number of respondents is based on year-end FFIEC 019 reporting for 2020.

III. Request for Comment

Public comment is requested on all aspects of this notice. Comment is also specifically invited on:

- a. Whether the information collection is necessary for the proper performance of the agencies' functions, including whether the information has practical utility;
- b. The accuracy of the agencies' estimate of the burden of the 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 the information collection on respondents, including through the use of automated collection techniques or other forms of information technology; and
- e. Estimates of capital or start up costs and costs of operation, maintenance, and purchase of services to provide information.

Comments submitted to the Board in response to this notice will be shared with the other agencies. All comments will become a matter of public record.

Board of Governors of the Federal Reserve System, May 3, 2021.

Michele Taylor Fennell,

Deputy Associate Secretary of the Board.

Billing Code

Board: 6210-01-P

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