



FEDERAL RESERVE SYSTEM

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 Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations, Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies, (FR 2314/S, FR Y-11/S; OMB No. 7100-0073) and the Reports of Foreign Banking Organizations (FR Y-7N/NS/Q; OMB No. 7100-0125).

DATES: The revisions will take effect as of March 31, 2025.

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, nuha.elmaghrabi@frb.gov, (202) 452-3884.

Office of Management and Budget (OMB) Desk Officer for the Federal Reserve Board, 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 Paperwork Reduction Act (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 (which contain more detailed information about the information collections and burden estimates than this notice), 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/reportingforms/home/review> or may be requested from the agency clearance officer, whose name appears above. On the page displayed at the link above, you can find the supporting information by referencing the collection identifier, FR 2314/S, FR Y-11/S, and FR Y-7N/NS/Q.

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

Collection title: Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations, and Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies.

Collection identifier: FR 2314/S and FR Y-11/S.

OMB control number: 7100-0073.¹

General description of collection: The FR 2314 reporting forms collect financial information for non-functionally regulated direct or indirect foreign subsidiaries of U.S. state member banks, Edge and agreement corporations, and holding companies (HCs) (i.e., bank holding companies (BHCs), savings and loan holding companies (SLHCs), securities holding companies (SHCs), and intermediate holding companies (IHCs)). The data from the FR 2314 forms are used to identify current and potential problems at the foreign subsidiaries of U.S. parent companies, to monitor the activities of U.S. banking organizations in specific countries, and to develop a better understanding of activities within the industry, in general, and of individual institutions, in particular.

The FR Y-11 reporting forms collect financial information for individual non-functionally regulated U.S. nonbank subsidiaries of domestic HCs, which is essential for

¹ As part of this clearance, the Board has cleared the FR 2314/S and FR Y-11/S under the FR 2314 OMB control number (7100-0073), and will discontinue the FR Y-11's separate OMB control number (7100-0244). This non-substantive change is aimed at simplifying the tracking and clearance process for the four related forms. This change does not modify the reporting or recordkeeping requirements of the forms described in this notice in any way. The collection is now titled Financial Statements of U.S. Nonbank Subsidiaries of U.S. Holding Companies and Financial Statements of Foreign Subsidiaries of U.S. Banking Organizations (FR 2314/S and FR Y-11/S; OMB No. 7100-0073).

monitoring the subsidiaries' potential impact on the condition of the HC or its subsidiary banks. HCs file the FR Y-11 on a quarterly or annual basis, or the FR Y-11S on an annual basis, predominantly based on whether the organization meets certain asset size thresholds. The data from the FR Y-11 forms are used with other HC data to assess the condition of HCs that are heavily engaged in nonbanking activities and to monitor the volume, nature, and condition of their nonbanking operations.

Frequency: Quarterly and annually.

Respondents: U.S. banking organizations and U.S. HCs.

Total estimated number of respondents: **Reporting:** FR 2314 (quarterly): 434; FR 2314 (annually): 223; FR 2314S: 295; FR Y-11 (quarterly): 386; FR Y-11 (annually): 211; FR Y-11S: 286. **Recordkeeping:** FR 2314 (quarterly): 434; FR 2314 (annually): 223; FR 2314S: 295; FR Y-11 (quarterly): 386; FR Y-11 (annually): 211; FR Y-11S: 286.

Estimated average hours per response: **Reporting:** FR 2314 (quarterly): 8.0; FR 2314 (annually): 7.9; FR 2314S: 1; FR Y-11 (quarterly): 8.3; FR Y-11 (annually): 8.3; FR Y-11S: 1. **Recordkeeping:** FR 2314 (quarterly): 0.2; FR 2314 (annually): 0.2; FR 2314S: 0.2; FR Y-11 (quarterly): 0.2; FR Y-11 (annually): 0.2; FR Y-11S: 0.2.

Total estimated change in burden: 3,632.

Total estimated annual burden hours: 31,656.

Collection title: Reports of Foreign Banking Organizations.

Collection identifier: FR Y-7N/NS/Q.

OMB control number: 7100-0125

General description of collection: The FR Y-7N/NS collect financial information for certain non-functionally regulated U.S. nonbank subsidiaries held by foreign banking organizations (FBOs) other than through a U.S. BHC, financial holding company (FHC), or U.S. bank. For purposes of these reports, an FBO is a foreign bank that operates a branch, agency, or commercial lending company subsidiary in the United States; controls a bank in the United

States; or controls an Edge corporation acquired after March 5, 1987. FBOs file the FR Y-7N quarterly or annually or the FR Y-7NS annually, predominantly based on asset size thresholds. The Federal Reserve uses the data collected on the FR Y-7N/NS/Q to assess an FBO's ability to be a continuing source of strength to its U.S. operations and to determine compliance with applicable U.S. laws and regulations. In addition, the FR Y-7Q collects consolidated regulatory capital information from all FBOs, which the Federal Reserve uses to assess the FBO's ability to be a continuing source of strength to its U.S. banking operations and to determine compliance with U.S. laws and regulations.

Frequency: Quarterly and annually

Respondents: FBOs

Total estimated number of respondents: **Reporting:** FR Y-7N (quarterly): 29; FR Y-7N (annually): 14; FR Y-7NS: 13; FR Y-7Q (quarterly): 122; FR Y-7Q (annually): 19.

Recordkeeping: FR Y-7N (quarterly): 29; FR Y-7N (annually): 14; FR Y-7NS: 13.

Estimated average hours per response: **Reporting:** FR Y-7N (quarterly): 8.3; FR Y-7N (annually): 8.3; FR Y-7NS: 1; FR Y-7Q (quarterly): 3.25; FR Y-7Q (annually): 2.5.

Recordkeeping: FR Y-7N (quarterly): 0.2; FR Y-7N (annually): 0.2; FR Y-7NS: 0.2.

Total estimated change in burden: 120.

Total estimated annual burden hours: 2,755.

Current actions: On June 7, 2024, the Board published two separate initial notices in the *Federal Register* (89 FR 48639 and 89 FR 48641) requesting public comment for 60 days on the extension, with revision, of the FR 2314, FR Y-11 and FR Y-7N. The comment period for both notices expired on August 6, 2024, and the Board received one comment letter on the FR 2314 and FR Y-11 notice. Additionally, the Board received one comment regarding the Federal Financial Institutions Examination Council (FFIEC) Foreign Branch Report of Condition (FFIEC 030/030S), however, the comment is not related to the collections discussed in this

notice.² After considering the comments received, the Board is proceeding with the proposed revisions, but with certain modifications. There are no changes to the FR Y-7Q at this time. The specific comments, the Board's responses, and pertinent modifications follow.

Detailed Discussion of Public Comments

1. Accounting Standards Update (ASU) 2022-02, "Financial Instruments-Credit Losses (Topic): Troubled Debt Restructurings and Vintage Disclosures"

The commenter was supportive of the proposed revisions to align the regulatory reporting of loan modifications to borrowers experiencing financial difficulty (LMBEFD) on the FR 2314, FR Y-11, and FR Y-7N in accordance with ASU 2022-02 issued by the Financial Accounting Standards Board in March 2022. The commenter specifically commended the Board for properly aligning the reporting standard to U.S. generally accepted accounting principles (GAAP) and current firm practices, which will allow for the collection of relevant information without undue regulatory reporting burden to institutions. The commenter also encouraged the Board to support implementing ASU 2022-02 across all regulatory reporting forms, including the FFIEC Consolidated Reports of Condition and Income (Call Report) (FFIEC 031/041/051). In response, the Board is proceeding with these revisions as proposed to the FR 2314, FR Y-11, and FR Y-7N.

Additionally, on June 7, 2024, the Board published in the *Federal Register* separate initial notices that invited comment for 60 days on the extension, with revision, of the Financial Statements for Holding Companies (FR Y-9 Reports)³ and the Consolidated Report of Condition and Income for Edge and Agreement Corporations (FR 2886b)⁴ to propose aligning the reporting of LMBEFD with ASU 2022-02. Also, on June 21, 2024, the Board published in the *Federal Register* an initial notice that invited comment for 60 days on the extension, with revision, of the

² See 89 FR 81137 (October 7, 2024).

³ See 89 FR 48637 (June 7, 2024)

⁴ See 89 FR 48644 (June 7, 2024)

Capital Assessments and Stress Testing Reports (FR Y14A/Q/M)⁵, to propose aligning the reporting of LMBEFD with ASU 2022-02. The comment period for the FR Y-9 and FR 2886b initial notices expired on August 6, 2024, and the Board recently finalized these revisions as proposed.⁶ The comment period for the FR Y-14A/Q/M notice expired on August 20, 2024. With regard to the reporting of LMBEFD on the Call Report, the Office of the Comptroller of the Currency (OCC), the Federal Deposit Insurance Corporation (FDIC), and the Board (collectively, the agencies) are continuing to evaluate the comments on their September 2023 proposal.⁷ Upon conclusion of their review, the agencies will adopt a standard through a subsequent PRA notice with a 30-day public comment period.

2. Incorporate line items from the FR 2502q into the FR 2314

The commenter was supportive of incorporating line items from the Quarterly Report of Assets and Liabilities of Large Foreign Offices of U.S. Banks (FR 2502q) into the FR 2314. However, the commenter requested the Board modify certain aspects of the proposal. First, the commenter urged the Board to limit the scope of respondents subject to the proposed FR 2314 Schedule BS-Q, “Due From, Due To, and Other” to those that meet the current criteria to file the FR 2502q. The commenter stated that there are significant scoping differences between the FR 2502q and the FR 2314. For subsidiaries, FR 2502q reporting is limited to those foreign subsidiaries located in the United Kingdom (U.K.) or the Caribbean that file the quarterly FR 2314, have a banking charter, engage in banking business, and report \$2 billion or more in total assets and \$10 million or more in total deposits. The FR 2314 quarterly instructions state that a U.S. Banking Organization (USBO) must file the report quarterly for its foreign subsidiary if the parent U.S. HC has total consolidated assets of \$500 million or more or files the FR Y-9C, or the subsidiary is owned or controlled by a state member bank or an Edge or agreement

⁵ See 89 FR 52042 (June 21, 2024)

⁶ See 89 FR 90284 (November 15, 2024).

⁷ See 88 FR 66933 (September 28, 2023).

corporation that has total consolidated assets equal to or greater than \$500 million, and the subsidiary meets any one of several criteria.⁸ The commenter stated that the FR 2314's reporting scope, without the geographic limitation to foreign subsidiaries in the U.K. and the Caribbean, results in a much greater reporting burden on firms.

Furthermore, this commenter also stated that the proposed changes and increased granularity of the items reported would necessitate both the development of new systems, as well as modifications to existing ones. This reporting burden would be greatest on respondents that have newly scoped-in entities that would be reporting this information for the first time. In light of this, the commenter requested that, if the scope of respondents on the proposed FR 2314 Schedule BS-Q is not limited to those that currently meet the criteria to file the FR 2502q, foreign subsidiaries would need at least four quarters from publication of the final forms and instructions to implement the revisions. However, if the scope were limited to foreign subsidiaries that meet the current criteria to file the FR 2502q, foreign subsidiaries would only need two additional quarters to implement the proposal.

The Board agrees with the commenter that broadening the criteria for reporting the proposed FR 2314 Schedule BS-Q beyond the current reporting criteria for the FR 2502q may impose additional burden on FR 2314 respondents and is finalizing the criteria for completing Schedule BS-Q as noted below. Foreign subsidiaries that are located in the U.K. or Caribbean (that are not located in a U.S. military facility), that have a banking charter and engage in banking business, that report \$2 billion or more in total assets in Schedule BS, item 10, and \$10 million or more in total deposits in Schedule BS-M, item 6, as of the end of the calendar quarter,

⁸ A USBO must file the FR 2314 quarterly for its foreign subsidiary if the parent U.S. HC has total consolidated assets of \$500 million or more or files the FR Y-9C, or the subsidiary is owned or controlled by a state member bank or an Edge or agreement corporation that has total consolidated assets equal to or greater than \$500 million, and the subsidiary meets any one of the following criteria: (1) total assets of the foreign subsidiary are equal to or greater than \$1 billion; (2) the foreign subsidiary's off-balance-sheet activities are equal to or greater than \$5 billion; (3) the foreign subsidiary's equity capital is equal to or greater than 5 percent of the top-tier organization's consolidated equity capital; or (4) the foreign subsidiary's operating revenue is equal to or greater than 5 percent of the top-tier organization's consolidated operating revenue.

must complete new Schedule BS-Q. Foreign Subsidiaries that file the FR 2314 on an annual basis would not report the new items. The FR 2314 instructions will be updated to reflect these changes. Substantially restricting the scope of institutions required to complete Schedule BS-Q should additionally limit the burden incurred due to system revisions necessary to implement the revisions. Although the proposed line items would be new on the FR 2314, there would be fewer items reported and they would be at the same level of granularity as currently reported on the FR 2502q. However, the Board acknowledges that U.S. HCs and their foreign subsidiaries may need additional time initially to develop their reporting systems to implement these changes. As such, the Board will delay the requirement to complete Schedule BS-Q until March 31, 2025.

3. Other Comments Received

The commenter noted that the notice proposes to revise the instructions of FR 2314 and FR Y-11, Schedule IS, line item 4, “Provision for Credit Losses”, to instruct respondents to include provisions for credit losses on all financial assets and off-balance-sheet credit exposures. The commenter stated that, despite this proposed revision, contradictory language would remain in the instructions for Schedule IS, line item 4, “Provisions for Credit Losses” stating to “exclude provision for credit losses on off-balance-sheet credit exposures and provisions for allocated transfer risk, both of which should be reported in Schedule IS, line item 7, “Noninterest expense”. The commenter also noted that the current instructions of Schedule IS line item 7(a), “Pertaining to nonrelated organizations”, states to “report any provision for credit losses related to off-balance sheet credit exposures”. Therefore, the commenter requested the Board (1) exclude the provision for credit losses on off-balance sheet credit exposures from Schedule IS, line item 4, and (2) instead include them on line item 7. In response to the commenter, the Board explicitly notes that provisions for credit losses on off-balance sheet and provisions for allocated transfer risk should be reflected in FR 2314 and FR Y-11 Schedule IS, item 4, and excluded from Schedule IS, item 7. This clarification is also applicable to FR Y-7N Schedule IS, items 4,

“Provisions for Credit Losses” and 7, “Noninterest expense”. Therefore, the Board will update the instructions of FR 2314, FR Y-11, FR Y-7N Schedule IS items 4 and 7 accordingly.

The commenter also asked for clarification on FR 2314 Schedule BS-Q, line items 3, “Assets that are claims on U.S. addressees other than depository institutions”, and 4, “Liabilities to U.S. addressees other than depository institutions”. The instructions of proposed Schedule BS-Q state to exclude balances with related institutions from line items 3 and 4, while BS-Q, line items 1, “Balances due from related institutions, gross”, and 2, “Balances due to related institutions, gross”, represent balances due from and due to related institutions, gross, as stated in the line item caption name. The commenter requested that Board revise the instructions to explicitly clarify that these balances reported in Schedule BS-Q line items 1 and 2 should be excluded when reporting the balances in line items 3 and 4. In response, the Board will revise the instructions to explicitly clarify that balances with related institutions are excluded from Schedule BS-Q, line items 3 and 4.

The commenter also stated that proposed revisions to the draft FR 2314 and FR Y-11 report forms, Schedule IS-B, Memoranda items M3 and M4 contain a reference to a footnote (FN 6) following the the line item captions. The commenter requested that FN 6 be added and respondents be given the opportunity to comment on this item. Schedule IS-B, Memoranda items M3 and M4 should not reference FN 6 on the respective report forms. Therefore, the report forms will be updated to no longer reference FN 6.

Lastly, the commenter requested clarity regarding the statement that six line items from the FR 2502q would be incorporated into the proposed FR 2314 Schedule BS-Q, when it appears that only one line item is included. The commenter stated that, “although there are six line items on the proposed FR 2314 Schedule BS-Q, only line items 3 and 4, which break out FR 2502q line item 1.c. are from the FR 2502q.” The Board acknowledges that not all line items that were proposed to be added to the FR 2314 are explicitly from the FR 2502q. However, the intent of

these new line items is to allow for the discontinuation of the FR 2502q and to support the supervisory data needs of the FR 2502q data users.

Board of Governors of the Federal Reserve System, January 31, 2025.

Benjamin W. McDonough,

Deputy Secretary and Ombuds of the Board.

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