



FEDERAL RESERVE SYSTEM

Agency Information Collection Activities: Announcement of Board Approval under Delegated Authority

AGENCY: Board of Governors of the Federal Reserve System.

SUMMARY: Notice is hereby given of temporary approval of revisions to the mandatory Complex Institution Liquidity Monitoring Report (FR 2052a; OMB No. 7100-0361) by the Board of Governors of the Federal Reserve System (Board) pursuant to the authority delegated to the Board by the Office of Management and Budget (OMB), per OMB Regulations on Controlling Paperwork Burdens on the Public. The temporary approval is valid until March 31, 2019.

DATES: The revisions are applicable as of June 30, 2018.

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. Telecommunications Device for the Deaf (TDD) users may contact (202) 263-4869, Board of Governors of the Federal Reserve System, Washington, DC 20551.

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, N.W., 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 temporarily approve a revision to a collection of information without providing opportunity for public comment

if the Board determines that a change in an existing collection must be instituted quickly and that public participation in the approval process would defeat the purpose of the collection or substantially interfere with the Board's ability to perform its statutory obligation.

The Board's delegated authority requires that the Board, after temporarily approving a collection, publish a notice soliciting public comment. The Board will publish a notice in the future inviting comment on these actions.

Final approval under OMB delegated authority of the temporary revision of the following report:

Report title: Complex Institution Liquidity Monitoring Report.

Agency form number: FR 2052a.

OMB control number: 7100-0361.

Effective Date: June 30, 2018.

Frequency: Monthly, and each business day (daily).

Respondents: U.S. bank holding companies (BHCs), U.S. savings and loan holding companies (SLHCs), and foreign banking organizations (FBOs) with U.S. assets.

Estimated number of respondents: Monthly, 40; Daily, 12.

Estimated average hours per response: Monthly, 120; Daily, 220.

Estimated annual burden hours: 717,600.

General description of report: The FR 2052a is used to monitor the overall liquidity profile of institutions supervised by the Board. These data provide detailed information on the liquidity risks within different business lines (e.g., financing of securities positions, prime brokerage activities). In particular, these data serve as part of the Board's

supervisory surveillance program in its liquidity risk management area and provide timely information on firm-specific liquidity risks during periods of stress. Analyses of systemic and idiosyncratic liquidity risk issues are then used to inform the Board's supervisory processes, including the preparation of analytical reports that detail funding vulnerabilities.

Legal authorization and confidentiality: The Board's Legal Division has determined that the FR 2052a is authorized pursuant to section 5 of the Bank Holding Company Act (12 U.S.C. 1844), section 8 of the International Banking Act (12 U.S.C. 3106), and section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) (12 U.S.C. 5365) and are mandatory. Section 5(c) of the Bank Holding Company Act authorizes the Board to require BHCs to submit reports to the Board regarding their financial condition. Section 8(a) of the International Banking Act subjects FBOs to the provisions of the Bank Holding Company Act. Section 165 of the Dodd-Frank Act requires the Board to establish prudential standards for certain BHCs and FBOs, which include liquidity requirements.

Financial institution information required by 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 U.S.C. 552(b)(8)). In addition, the institution information provided by each respondent would not be otherwise available to the public and its disclosure could cause substantial competitive harm. Accordingly, it is entitled to confidential treatment under the authority of exemption 4 of the FOIA (5 U.S.C. 552(b)(4)), which protects from disclosure trade secrets and commercial or financial information.

Current Actions: The Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA), enacted on May 24, 2018, amended various provisions of banking law to eliminate or reduce statutory and regulatory requirements on certain banking organizations. Section 403 of EGRRCPA provides that the federal banking agencies shall treat certain municipal obligations as “high quality liquid assets” (HQLA) for purposes of their liquidity regulations, and must amend those regulations to reflect this new treatment within 90 days of the enactment of EGRRCPA. The federal banking agencies, on August 22, 2018, issued an interim final rule¹ amending their liquidity regulations (the “Liquidity IFR”). The current FR 2052a instructions are inconsistent with the provisions of EGRRCPA. The Board has revised the FR 2052a to provide that respondents are permitted to report investment grade municipal obligations as HQLA, consistent with EGRRCPA and the Liquidity IFR. In order for the FR 2052a to reflect section 403 of EGRRCPA, which became effective immediately when EGRRCPA was signed on May 24, 2018, the Board cannot comply with the normal clearance process and still receive the

¹ Press Release, Board of Governors of the Federal Reserve System, Agencies issue final rule regarding the treatment of certain municipal securities as high-quality liquid assets (August 22, 2018), available at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20180822a.htm>.

June 30, 2018, financial data in a timely manner. Therefore, the Board has determined that the revision to the FR 2052a described above must be instituted quickly and public participation in the approval process would substantially interfere with the Board's ability to perform its statutory obligations arising from EGRRCPA.

Board of Governors of the Federal Reserve System, September 6, 2018.

Michele Taylor Fennell,

Assistant Secretary of the Board.

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