



FEDERAL RESERVE SYSTEM

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, a voluntary survey of the foreign exchange and derivatives markets, the Central Bank Survey of Foreign Exchange and Derivatives Market Activity (FR 3036; OMB 7100-0285).

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 3036*, by any of the following methods:

- Agency Website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at <http://www.federalreserve.gov/apps/foia/proposedregs.aspx>.
- E-mail: regs.comments@federalreserve.gov. Include 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, N.W., Washington, DC 20551.

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

<http://www.federalreserve.gov/apps/foia/proposedregs.aspx> as submitted, unless modified for technical reasons. Accordingly, your comments will not be edited to remove any identifying or

contact information. Public comments may also be viewed electronically or in paper form in Room 3515, 1801 K Street, N.W. (between 18th and 19th Streets, N.W.), 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 – 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.

FOR FURTHER INFORMATION CONTACT: A copy of the PRA OMB submission, including the proposed reporting form and instructions, supporting statement, and other documentation will be placed into OMB’s public docket files, if approved. These documents will also be made available on the Board’s public website at <http://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears below.

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.

SUPPLEMENTARY INFORMATION: On June 15, 1984, the Office of Management and Budget (OMB) delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve and assign OMB control numbers to collection of information requests and requirements

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.

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: The Central Bank Survey of Foreign Exchange and Derivatives Market Activity.

Agency form number: FR 3036.

OMB control number: 7100-0285.

Frequency: Triennially

Respondents: Financial institutions that serve as intermediaries in the wholesale foreign exchange and derivatives market and dealers.

Estimated number of respondents: 21.

Estimated average hours per response: 55.

Estimated annual burden hours: 1,155.

General description of report: The survey is a comprehensive source of global information on the volume of foreign exchange and derivatives trading and, as such, is useful to the Federal Reserve System and other government agencies in understanding market developments and trends. The data also provide the Manager of the System Open Market Account with information for analyzing market developments and conducting Federal Reserve and U.S. Treasury foreign exchange operations. Survey data are also used by market participants to gain a perspective on the market that is not available from data at the firm level. Academics and the general public also use the survey's data for research and analysis.

Proposed revisions: The Board is proposing changes to the report form and instructions for the Turnover survey to align with some of the changes being adopted in the Bank for International Settlements (BIS) survey. The Board proposes to revise the FR 3036 by modifying the Execution Method schedule for foreign exchange contracts (Table C.2) to merge "Dark Pools"¹ with "Other Electronic Communication Networks" and renaming it under Electronic-Indirect Trading as "Disclosed Venues." "Reuters Matching/EBS" would be renamed under Electronic Indirect Trading as "Anonymous Venues." These changes would provide better information on

¹ Dark pools are private platforms for trading securities especially for large trade sizes, where access is restricted and quotes are not revealed.

the evolution of electronic trading methods, which have accounted for a large part of the growth in foreign exchange turnover in recent years.

The Board also proposes to merge the separate reporting of bought options and sold options to “Sum of Bought and Sold Options,” to align with new BIS reporting guidelines on Tables A.4, A.5, and A.6. Additionally, the Board also proposes modifying and expanding the maturity breakdown for foreign exchange forwards and swaps to align with both broader market standards and practices as well as with the BIS reporting guidelines. Additionally, for single-currency interest rate turnover, interest rate swaps would be deleted and replaced by two separate categories, (1) “overnight indexed swaps”, and (2) “other swaps”. In addition, Table C.1, “Complementary Information for Foreign Exchange Contracts” would be deleted. The Board proposes to make several clarifications to the reporting instructions to provide additional guidance to the definitions used for the Execution Method schedule as well as to reflect the changes and deleted items from the report form.

Legal authorization and confidentiality: The Board’s Legal Division has determined that the FR 3036 is authorized pursuant to sections 2A and 12A of the Federal Reserve Act (“FRA”). Section 2A of the FRA requires that the Board and the Federal Open Market Committee (FOMC) 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). Under section 12A of the FRA, the FOMC is required to implement regulations relating to the open market operations conducted by Federal Reserve Banks. Those transactions must 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). The Board and the FOMC use the information obtained from the FR 3036 to help fulfill these obligations.

The FR 3036 is a voluntary survey. Because the release of this information would cause substantial harm to the competitive position of the entity from whom the information was obtained, the information collected on the FR 3036 may be granted confidential treatment under exemption (b)(4) of the Freedom of Information Act, (5 U.S.C. 552(b)(4)), which protects from disclosure “trade secrets and commercial or financial information obtained from a person and privileged or confidential.”

Consultation outside the agency: This survey is being coordinated by the BIS with other participating central banks.

Board of Governors of the Federal Reserve System, February 4, 2019.

Michele Taylor Fennell,

Assistant Secretary of the Board.

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