



BILLING CODES: 4810-33-P; 6210-01-P; 6714-01-P

**DEPARTMENT OF THE TREASURY  
Office of the Comptroller of the Currency**

**FEDERAL RESERVE SYSTEM**

**FEDERAL DEPOSIT INSURANCE CORPORATION**

**Agency Information Collection Activities; Submission for OMB Review; Comment Request**

**AGENCY:** Office of the Comptroller of the Currency (OCC), Treasury; Board of Governors of the Federal Reserve System (Board); and Federal Deposit Insurance Corporation (FDIC).

**ACTION:** Joint notice and request for comment.

**SUMMARY:** In accordance with the requirements of the Paperwork Reduction Act of 1995 (PRA), the OCC, the Board, and the FDIC (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. On April 29, 2019, the agencies, under the auspices of the Federal Financial Institutions Examination Council (FFIEC), requested public comment for 60 days on a proposal to extend for three years, without revision, the Country Exposure Report (FFIEC 009) and the Country Exposure Information Report (FFIEC 009a), which are currently approved collections of information. The comment period for this notice expired on June 28, 2019. As described in the **SUPPLEMENTARY INFORMATION** section, after considering the comments received on the proposal, the FFIEC and agencies will proceed with the extension of the FFIEC 009 and FFIEC 009a with modifications in response to comments. In addition, the agencies are giving notice that they are sending the collections to OMB for review.

**DATES:** Comments must be submitted by [INSERT DATE 30 DAYS FROM DATE OF PUBLICATION IN THE *FEDERAL REGISTER*].

**ADDRESSES:** Interested parties are invited to submit written comments to any or all of the agencies. All comments, which should refer to the OMB control number(s), will be shared among the agencies.

OCC: You may submit comments, which should refer to “FFIEC 009 and FFIEC 009a,” by any of the following methods:

- E-mail: [prainfo@occ.treas.gov](mailto:prainfo@occ.treas.gov).
- Mail: Chief Counsel’s Office, Office of the Comptroller of the Currency, Attention: 1557-0100, 400 7th Street, SW., suite 3E-218, Washington, DC 20219.
- Hand Delivery/Courier: 400 7th Street, SW., suite 3E-218, Washington, DC 20219.

Instructions: You must include “OCC” as the agency name and “1557-0100” in your comment. In general, the OCC will publish comments on [www.reginfo.gov](http://www.reginfo.gov) without change, including any business or personal information provided, such as name and address information, e-mail addresses, or phone numbers. Comments received, including attachments and other supporting materials, are part of the public record and subject to public disclosure. Do not include any information in your comment or supporting materials that you consider confidential or inappropriate for public disclosure.

You may review comments and other related materials that pertain to this information collection beginning on the date of publication of the second notice for this collection by any of the following methods:

- Viewing Comments Electronically: Go to [www.reginfo.gov](http://www.reginfo.gov). Click on the “Information Collection Review” tab. Underneath the “Currently under Review” section heading, from the drop-down menu select “Department of Treasury” and then click “submit.” This information collection can be located by searching by OMB control number “1557-0100” or “FFIEC 009 and

FFIEC 009a.” Upon finding the appropriate information collection, click on the related “ICR Reference Number.” On the next screen, select “View Supporting Statement and Other Documents” and then click on the link to any comment listed at the bottom of the screen.

- For assistance in navigating *www.reginfo.gov*, please contact the Regulatory Information Service Center at (202) 482-7340.
- Viewing Comments Personally: You may personally inspect comments at the OCC, 400 7th Street, SW., Washington, DC. For security reasons, the OCC requires that visitors make an appointment to inspect comments. You may do so by calling (202) 649-6700 or, for persons who are deaf or hearing impaired, TTY, (202) 649-5597. Upon arrival, visitors will be required to present valid government-issued photo identification and submit to security screening in order to inspect comments.

Board: You may submit comments, which should refer to “FFIEC 009 and FFIEC 009a,” by any of the following methods:

- Agency website: <http://www.federalreserve.gov>. Follow the instructions for submitting comments at: <http://www.federalreserve.gov/generalinfo/foia/ProposedRegs.cfm>.
- Email: [regs.comments@federalreserve.gov](mailto:regs.comments@federalreserve.gov). Include “FFIEC 009 and FFIEC 009a” 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 on 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.

FDIC: You may submit comments, which should refer to "FFIEC 009 and FFIEC 009a," by any of the following methods:

- Agency Website: <https://www.fdic.gov/regulations/laws/federal/>. Follow the instructions for submitting comments on the FDIC's website.
- Federal eRulemaking Portal: <https://www.regulations.gov>. Follow the instructions for submitting comments.
- Email: [comments@FDIC.gov](mailto:comments@FDIC.gov). Include "FFIEC 009 and FFIEC 009a" in the subject line of the message.
- Mail: Manuel E. Cabeza, Counsel, Attn: Comments, Room MB-3128, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.
- Hand Delivery: Comments may be hand delivered to the guard station at the rear of the 550 17th Street Building (located on F Street) on business days between 7:00 a.m. and 5:00 p.m.

Public Inspection: All comments received will be posted without change to <https://www.fdic.gov/regulations/laws/federal/>, including any personal information provided. Paper copies of public comments may be requested from the FDIC Public Information Center, 3501 North Fairfax Drive, Arlington, VA 22226, or by telephone at (877) 275-3342 or (703) 562-2200.

Additionally, commenters may send a copy of their comments to the OMB desk officers 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](mailto:oir_submission@omb.eop.gov).

**FOR FURTHER INFORMATION CONTACT:** For further information about the information collections discussed in this notice, please contact any of the agency staff whose names appear below. In addition, copies of the FFIEC 009 and FFIEC 009a reporting forms can be obtained at the FFIEC's website ([https://www.ffiec.gov/ffiec\\_report\\_forms.htm](https://www.ffiec.gov/ffiec_report_forms.htm)).

*OCC:* Kevin Korzeniewski, Counsel, Chief Counsel's Office, (202) 649-5490, or for persons who are deaf or hearing impaired, TTY, (202) 649-5597.

*Board:* Nuha Elmaghrabi, 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.

*FDIC:* Manuel E. Cabeza, Counsel, (202) 898-3767, Legal Division, Federal Deposit Insurance Corporation, 550 17th Street, NW., Washington, DC 20429.

**SUPPLEMENTARY INFORMATION:** On April 29, 2019, the agencies requested public comment on a proposal to extend for three years, without revision, the FFIEC 009 and FFIEC 009a. The agencies received one comment letter.

The commenter, a banking trade association, raised issues related to consistency in certain defined terms and reporting treatments between the FFIEC 009 and FFIEC 009a, and other information collections undertaken by the FFIEC, its member entities, and Treasury.

First, the commenter stated that, while the FFIEC 009 and FFIEC 009a instructions define domicile of counterparties on the basis of “country of incorporation or charter,” the definition is not uniform across all FFIEC and Board reports. This definition, while consistent with that used in some non-FFIEC reports (i.e., Treasury International Capital or “TIC” reports and the Board’s FR Y-15), is inconsistent with the terms “principal business address” and “country in which the obligor is headquartered” used in the Call Report<sup>1</sup> as well as the Board’s FR Y-9C and FR Y-14Q. The agencies believe the definition of domicile using “country of incorporation or charter” provides a clearer basis for determination of domicile and a more consistent basis over time for the purposes of the FFIEC 009 and FFIEC 009a, which is designed to provide a more detailed and accurate view of cross-border country exposures than the other reports. Accordingly, the agencies propose to retain the “country of incorporation or charter” definition for reporting the domicile of counterparties in the FFIEC 009 and FFIEC 009a instructions.

Second, the commenter stated the FFIEC 009 and FFIEC 009a instructions, in defining financial institutions for sector reporting, include some different categories of institutions in the non-bank financial institutions sector when compared to three Board reports (FR Y-15, FR 2510,

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<sup>1</sup> The Consolidated Reports of Condition and Income, also referred to as the FFIEC 031, FFIEC 041, and FFIEC 051 reports.

and FR Y-9C). The FFIEC 009 instructions specifically include private equity companies, finance companies, and mortgage companies along with other types of institutions in the definition of non-bank financial institutions, while the instructions for the Board's FR Y-15 specifically exclude finance companies and do not mention private equity companies or mortgage companies in the definition of "financial institutions" used in specifying interconnectedness indicators (Schedule B). The agencies note that the definition of non-bank financial institutions in the Board's FR 2510 corresponds to the definition used in the FFIEC 009, and the definition of "non-depository financial institutions" used in the Board's FR Y-9C (Schedule HC-C) includes finance companies, mortgage companies, and mortgage finance companies among other types of institutions. The agencies believe that private equity companies, finance companies, and mortgage companies are meaningful components of the non-bank financial sector for purposes of the FFIEC 009 and that collected data on exposures to these types of companies would be less useful if included together with the corporate sector. The agencies also note that it is important for data collected in the FFIEC 009 to be comparable to data gathered for the same purpose by other jurisdictions, so that these data can be combined by the Bank for International Settlements (BIS) into meaningful global aggregate statistical data that are issued as the BIS Consolidated Banking Statistics (CBS); these aggregate data are relied upon by FFIEC member entities (including the agencies) and many others to monitor and analyze global banking and financial conditions. The definition in the FFIEC 009 instructions of these types of companies as non-bank financial companies conforms with the definition under the CBS. Therefore, the agencies propose to retain the definition of non-bank financial sector that includes these types of companies.

Third, the commenter stated that, as a result of a recent change in U.S. generally accepted accounting principles (GAAP), the FFIEC 009 and FFIEC 009a would collect operating lease liabilities without capturing corresponding operating lease assets. The commenter considered this treatment to be inappropriately asymmetric and recommended that operating lease liabilities be excluded from reporting on Schedule L of the FFIEC 009. The agencies agree that operating lease right-of-use assets should properly be excluded from reporting on the FFIEC 009, like other fixed assets, but believes that operating lease liabilities are now reportable as liabilities under GAAP, and thus should be included in foreign liabilities for purposes of the FFIEC 009. Unlike financial-statement collections such as the Call Report or the Board's FR Y-9C, the FFIEC 009 is designed to collect additional detail for specific types of claims and liabilities and not to reflect a comprehensive and symmetric balance sheet. Therefore, the agencies propose to not exclude operating lease liabilities from Schedule L of the FFIEC 009.

Fourth, the commenter noted that Schedule L of the FFIEC 009 requires reporting of short sales by country of the counterparty to which the foreign office owes delivery until the settlement date. The commenter believed this treatment to be inconsistent with the corresponding treatment in the Board's FR 2510, which provides that the immediate counterparty country and sector for short sale contracts are those of the issuer of the financial instrument that has been sold short. The commenter recommended that the reporting of short sales in Schedule L of the FFIEC 009 should be revised to conform with the treatment provided in the Board's FR 2510. The agencies also note that the reporting of short sales in the Board's FR 2510 is consistent with the BIS guidelines for reporting CBS data ("CBS Guidelines").<sup>2</sup> Therefore, the agencies agree with the commenter and propose to revise the instructions for

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<sup>2</sup> BIS, Monetary and Economic Department, [Reporting guidelines for the BIS international banking statistics](https://www.bis.org/statistics/bankstatsguide.pdf) (July 2019) available at <https://www.bis.org/statistics/bankstatsguide.pdf>.



Schedule L so that reporting of short sales is based on the immediate counterparty and sector of the issuer rather than that of the counterparty to the short-sale transaction.

Fifth, the commenter noted a difference in treatment between the FFIEC 009 and U.S. GAAP for netting trading assets against trading liabilities in the same security (i.e., Committee on Uniform Security Identification Procedures (CUSIP) netting) and stated that changing the FFIEC 009 instructions to align with netting under U.S. GAAP would reduce the burden on banking organizations required to report the FFIEC 009. To address this concern, the commenter recommended that CUSIP netting for purposes of the FFIEC 009 be aligned with netting permitted under U.S. GAAP to simplify the currently required operational and reconciliation processes. The agencies believe that aligning CUSIP netting with U.S. GAAP for country exposure reporting would potentially distort such reporting in cases in which the office holding the position, the issuer of the underlying security, and the counterparty to the short position are not the same. The agencies also note that it is important for data collected in the FFIEC 009 to be comparable to data gathered for the same purpose by other jurisdictions, so that these data can be combined by the BIS into meaningful global aggregate statistical data as the CBS. Aligning CUSIP netting with U.S. GAAP for country exposure reporting by U.S. banking organizations in the FFIEC 009 would create a key inconsistency between U.S. data and data provided by other jurisdictions which adhere to International Financial Reporting Standards (IFRS) because IFRS does not allow for CUSIP netting. Therefore, the agencies propose to retain the current, more limited use of CUSIP netting described in the FFIEC 009 instructions.

Finally, the commenter suggested that items to be excluded under Schedule C and Schedule L of the FFIEC 009 should be more specifically identified and the list of exclusions should be expanded. The commenter recommended that certain cross-border claims (i.e., bank-

owned or company-owned life insurance, deferred tax assets, physical commodities held in inventory, initial margin, pension assets, and cash in vault) should be excluded from Schedule C of the FFIEC 009 and that deferred tax liabilities should be excluded from Schedule L.

As a general matter, the agencies believe that the decision to include or exclude items as in Schedule C of the FFIEC 009 should be based on whether the items represent financial claims (or, for Schedule L, foreign office financial liabilities) in order to provide a proper and meaningful basis for the agencies to analyze country exposure, and should be consistent with the CBS Guidelines in order that data collected in the FFIEC 009 and FFIEC 009a would be comparable with data being provided to CBS by other jurisdictions.

In this context, the agencies agree with the commenter that bank-owned and company-owned life insurance, physical commodities held in inventory, and pension assets should not be considered financial claims for purposes of the FFIEC 009 and FFIEC 009a. Therefore, the agencies propose to revise the instructions to exclude these items from reporting in the FFIEC 009 and FFIEC 009a by adding them to the list of “Exclude” items in section II.A of the instructions to the FFIEC 009.

The agencies do not agree with the commenter with regard to initial margin because the agencies believe that initial margin represents a financial claim like others related to derivatives. The agencies therefore propose that initial margin should continue to be reported as part of derivative claims in Schedule D.

The agencies believe that cash in vault represents a financial claim and, moreover, that this claim is subject to transfer risk, an important element of the risks that may be associated with cross-border financial claims. As a result, the agencies do not agree with the commenter and propose that cash in vault should continue to be reported in the FFIEC 009 and FFIEC 009a.

Finally, the agencies do not agree with the commenter that deferred tax assets and liabilities are not financial claims. In addition, the agencies note that deferred tax assets and liabilities are specifically identified in the CBS Guidelines as reportable claims (liabilities). Therefore, the agencies propose to retain the current inclusion of deferred tax assets and liabilities among reportable items in the FFIEC 009 and FFIEC 009a.

To provide sufficient time for respondents to make any changes to their reporting systems that may be needed to reflect the agencies' proposed instructional revisions discussed above, the agencies will permit respondents to file the FFIEC 009 and FFIEC 009a for the periods ending September 30, 2019, and December 31, 2019, using either the existing definitions or the revised definitions for the items discussed above.

*Report Titles:* Country Exposure Report and Country Exposure Information Report.

*Form Numbers:* FFIEC 009 and FFIEC 009a.

*Frequency of Response:* Quarterly.

*Affected Public:* Business or other for profit.

## **OCC**

*OMB Number:* 1557-0100.

*Estimated Number of Respondents:* 11 (FFIEC 009), 5 (FFIEC 009a).

*Estimated Average Time per Response:* 131 hours (FFIEC 009), 6 hours (FFIEC 009a).

*Estimated Total Annual Burden:* 5,764 hours (FFIEC 009), 120 hours (FFIEC 009a).

## **Board**

*OMB Number:* 7100-0035.

*Estimated Number of Respondents:* 49 (FFIEC 009), 35 (FFIEC 009a).

*Estimated Average Time per Response:* 131 hours (FFIEC 009), 6 hours (FFIEC 009a).

*Estimated Total Annual Burden:* 25,676 hours (FFIEC 009), 840 hours (FFIEC 009a).

## **FDIC**

*OMB Number:* 3064-0017.

*Estimated Number of Respondents:* 15 (FFIEC 009), 12 (FFIEC 009a).

*Estimated Average Time per Response:* 131 hours (FFIEC 009), 6 hours (FFIEC 009a).

*Estimated Total Annual Burden:* 7,860 hours (FFIEC 009), 288 hours (FFIEC 009a).

### *General Description of Reports*

The Country Exposure Report (FFIEC 009) is filed quarterly with the agencies and provides information on international claims of U.S. banks, savings associations, bank holding companies, savings and loan holding companies, and intermediate holding companies (U.S. banking organizations) that is used for supervisory and analytical purposes. The information is used to monitor the foreign country exposures of reporting institutions to determine the degree of risk in their portfolios and assess the potential risk of loss. Information reported in the FFIEC 009 also serves as the source for country risk exposure data for U.S. banking organizations that the BIS combines with comparable data from other jurisdictions into global aggregate statistical data on country risk exposure as the BIS CBS. The Country Exposure Information Report (FFIEC 009a) is a supplement to the FFIEC 009 and provides publicly available information on material foreign country exposures (all exposures to a country in excess of 1 percent of total assets or 20 percent of capital, whichever is less) of U.S. banking organizations that file the FFIEC 009 report. As part of the Country Exposure Information Report, reporting institutions also must furnish a list of countries in which they have lending exposures above 0.75 percent of total assets or 15 percent of total capital, whichever is less.

### *Statutory Basis and Confidential Treatment*

These information collections are mandatory under the following statutes: 12 U.S.C. 161 and 1817 (national banks), 12 U.S.C. 1464 (federal savings associations), 12 U.S.C. 248(a)(1) and (2), 1844(c), and 3906 (state member banks and bank holding companies); 12 U.S.C. 1467a(b)(2)(A) (savings and loan holding companies); 12 U.S.C. 5365(a) (intermediate holding companies); and 12 U.S.C. 1817 and 1820 (insured state nonmember commercial and savings banks and insured state savings associations). The FFIEC 009 information collection is given confidential treatment (5 U.S.C. 552(b)(4) and (b)(8)). The FFIEC 009a information collection is not given confidential treatment.

### *Request for Comment*

The agencies invite comment on the following topics related to these collections of information:

- (a) Whether the information collections are necessary for the proper performance of the agencies' functions, including whether the information has practical utility;
  - (b) The accuracy of the agencies' estimates of the burden of the information collections, 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 collections 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 in response to this joint notice will be shared among the agencies.

All comments will become a matter of public record.

**Dated:** August 30, 2019

**Theodore J. Dowd,**  
*Deputy Chief Counsel,*  
*Office of the Comptroller of the Currency.*

Board of Governors of the Federal Reserve System, September 3, 2019.

**Ann Misback,**  
*Secretary of the Board.*

Federal Deposit Insurance Corporation.  
Dated at Washington, DC, on September 3, 2019.

**Valerie J. Best,**  
*Assistant Executive Secretary.*

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