



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, without revision, the Recordkeeping and Disclosure Requirements Associated with Regulation R (FR R; OMB No. 7100-0316).

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 R* 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>.
- E-mail: regs.comments@federalreserve.gov. Include the 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, 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 Office of Management and Budget (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, NW, Washington, DC 20503, or by fax to (202) 395-6974.

FOR FURTHER INFORMATION CONTACT: A copy of the Paperwork Reduction Act (PRA) OMB submission, including the 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 <https://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.

SUPPLEMENTARY INFORMATION: On June 15, 1984, OMB delegated to the Board authority under the PRA to approve and assign OMB control numbers to collections of information 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, Without Revision, the Following Information Collection:

Report title: Recordkeeping and Disclosure Requirements Associated with Regulation R.

Agency form number: FR R.

OMB control number: 7100-0316.

Frequency: As needed.

Respondents: "Banks," as defined in the Securities Exchange Act of 1934 (Exchange Act), that qualify for the exemptions from the Exchange Act definition of "broker."

Estimated number of respondents: Section 701, disclosures to customers: 1,500, disclosures to brokers: 1,500; section 723, recordkeeping: 75; section 741, disclosures to customers: 750.

Estimated average hours per response: Section 701, disclosures to customers: 0.08333, disclosures to brokers: 0.25; section 723, recordkeeping: 0.25; section 741, disclosures to customers: 0.08333.

Estimated annual burden hours: Section 701, disclosures to customers: 12,500, disclosures to brokers: 375; section 723, recordkeeping: 188; section 741, disclosures to customers: 62,500.

General description of report: The Board's Regulation R, 12 CFR part 218, implements certain exceptions for banks from the definition of "broker" under section 3(a)(4) of the Exchange Act. The Exchange Act defines "banks" to include banking institutions organized in the United States, including members of the Federal Reserve System, federal savings associations, and other commercial banks, savings associations, and nondepository trust companies that are organized under the laws of a state or the United States and subject to supervision and examination by state or federal authorities having supervision over banks and savings associations. Sections 701, 723, and 741 of Regulation R contain certain customer and counterparty disclosure requirements and certain transactional recordkeeping provisions for banks that utilize these exceptions.

Legal authorization and confidentiality: The FR R is authorized pursuant to sections 3(a)(4)(F) and 3(b) of the Exchange Act,¹ which, among other things, require the Board and the Security Exchange Commission (SEC) to jointly adopt rules to implement the bank exceptions to the definition of "broker" under the Exchange Act.² Banks seeking the exception from the definition of "broker" under the Exchange Act must comply with the requirements of FR R. The obligation, therefore, is required to obtain a benefit.

¹ 15 U.S.C. 78c(a)(4)(F) and 78c(b).

² Additionally, the Board has the authority to require reports from state member banks (12 U.S.C. 248(a) and 324).

Because these records and disclosures would be maintained at each banking organization, the Freedom of Information Act (“FOIA”) would only be implicated if the Board obtained such records as part of the examination or supervision of a banking organization. In the event the records are obtained by the Board as part of an examination or supervision of a financial institution, this information is considered confidential pursuant to exemption 8 of the FOIA, which protects information contained in “examination, operating, or condition reports” obtained in the bank supervisory process.³ In addition, the information may also be kept confidential under exemption 4 for the FOIA, which protects commercial or financial information obtained from a person that is privileged or confidential.⁴

Board of Governors of the Federal Reserve System, December 11, 2019.

Ann Misback,

Secretary of the Board.

Billing Code 6210-01-P

³ 5 U.S.C. 552(b)(8).

⁴ 5 U.S.C. 552(b)(4).

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