

## SUPPORTING STATEMENT

### Extension of Treasury International Capital (TIC) Form BQ-3 (OMB No. 1505-0189)

#### A. JUSTIFICATION

1. Explain the circumstances that make the collection of information necessary.

Treasury International Capital (TIC) Form BQ-3, “Report of Maturities of Selected Liabilities of Depository Institutions, Brokers and Dealers to Foreigners”, is filed by banks, other depository institutions, bank holding companies, financial holding companies, and brokers and dealers in the United States to report the maturities of selected liabilities to foreigners denominated in U.S. dollars or in foreign currencies. This report is required by E.O. Number 10033 of February 8, 1949 and implementing Treasury Regulations (31 C.F.R. 128), the International Investment and Trade in Services Survey Act (22 U.S.C. 3103), and the Bretton Woods Agreements Act (Sec. 8(a) 59 Stat. 515; 22 U.S.C. 286f).

2. How, by whom, and for what purpose is the information to be used. Except for a new collection, indicate the actual use the agency has made of the information received from the current collection.

Data collected on TIC Form BQ-3 constitutes the most complete and readily available information on the remaining maturities of cross-border liabilities of U.S. banks, brokers, and dealers. The data are necessary for computing the repayment schedules for the gross external debt of the U.S.; for complying with international data reporting standards; and in formulating U.S. international financial and monetary policies. In addition, these data are elements of reporting on the U.S. economic and financial system consistent with international norms, such as laid out in the International Monetary Fund’s Special Data Dissemination Standard. Timely disclosure of important economic data is part of the efforts by the international community, including the United States, to contribute to the pursuit of sound macroeconomic policies and to the improved functioning of financial markets. Treasury and the Board of Governors of the Federal Reserve System are the most significant users of the data for these purposes. Consistent with procedures for the TIC reporting forms, respondents covered by Form BQ-3 reporting requirements will report directly to the district Federal Reserve Banks, which act as fiscal agents for the Treasury. The data are centrally aggregated and processed by the Federal Reserve Bank of New York (FRBNY) and then transmitted to the Treasury to be used for the purposes outlined above. The Table C containing the repayment schedules for the gross external debt of the U.S. is published quarterly on the Treasury TIC website (<http://www.treasury.gov/resource-center/data-chart-center/tic/Pages/external-debt.aspx>).

3. Describe whether, and to what extent, the collection of information involves the use of automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g. permitting electronic submission of responses, and the basis for the decision for adopting this means of collection. Also describe any consideration of using

information technology to reduce burden. Explain how you will provide a fully electronic reporting option (meaning no paper from the respondent is required) by October 2003, or an explanation of why this is not practicable.

The instructions for Form BQ-3 inform respondents that, in lieu of reports on printed forms prescribed by the Secretary pursuant to '128.1, the required data may be submitted electronically in the approved file format or on computer printouts pursuant to specific agreement signed by a responsible officer of the reporting institution and the district Federal Reserve Bank with which the report is filed. The option of filing Form BQ-3 via the internet also is available to respondents.

As respondents' internal methods of maintaining and retrieving reportable information vary widely for Form BQ-3, no single information technology can be prescribed to reduce burden on respondents.

4. Describe efforts to identify duplication.

There is no duplication in the collection of these data. Similar information does not exist. The Treasury is the sole U.S. Government collection authority for these international portfolio capital flow data.

5. If the collection of information impacts small businesses or other small entities, describe any methods used to minimize burden.

The reporting threshold is \$4 billion at each quarter-end, and is applicable to the total of all of the reporter's own U.S. dollar and foreign currency-denominated liabilities, excluding securities, as reported on TIC Form BL-1 and on TIC Form BQ-2, Part 1 as of the end of the same quarter. This threshold effectively excludes smaller banks, other depository institutions, and brokers and dealers in the U.S. from the reporting population.

6. Describe the consequences to Federal program or policy activities if the collection were not conducted or was conducted less frequently, as well as any technical or legal obstacles to reducing burden.

As is the case for all TIC reporting forms, the data are collected on an ongoing basis. The submission date for Form BQ-3 filing is no later than the twentieth calendar day following the quarter to which the reports apply. If the data were collected less frequently, valuable information on trends in international capital movements would not be observed and made available to the U.S. Government. The lack of timely information could seriously impair the formulation of U.S. financial and monetary policies. In addition, these data are key elements of reporting on the U.S. economy and financial system consistent with international norms, such as laid out in the International Monetary Fund's Special Data Dissemination Standard (SDDS). The primary legal obstacle to reducing burden is the statutory mandate to collect the information. (See Item 1 above.)

7. Explain any special circumstances that would cause an information collection to be conducted in a manner: (a) requiring respondents to prepare information to the agency more often than quarterly; (b) requiring respondents to prepare a written response to a collection of information in fewer than 30 days after receipt of it; (c) requiring respondents to submit more than an original and two copies of any document; (d) requiring respondents to retain records, other than health, medical, government contract, grant-in-aid, or tax records, for more than three years; (e) in connection with a statistical survey, that is not designed to produce valid and reliable results that can be generalized to the universe of study; (f) requiring the use of a statistical data classification that has not been reviewed and approved by OMB; (g) that includes a pledge of confidentiality that is not supported by authority established in statute or regulation, that is not supported by disclosure and data security policies that are consistent with the pledge, or which unnecessarily impedes sharing of data with other agencies for compatible confidential use; or (h) requiring respondents to submit proprietary trade secrets, or other confidential information unless the agency can demonstrate that it has instituted procedures to protect the information's confidentiality to the extent permitted by law.

There are no special circumstances associated with Form BQ-3 that are inconsistent with the conditions outlined in Item A.7 of the Specific Instructions for Supporting Statements for Paperwork Reduction Act Submissions.

8. Summarize public comments received in response to the Federal Register Notice requesting public comments and describe actions taken by the agency in response to these comments, particularly comments on cost and hour burden. Describe efforts to consult with persons outside the agency to obtain their views on the availability of data, frequency of collection, clarity of instructions and record keeping, disclosure, or reporting format (if any), and on the data elements to be recorded, disclosed, or reported.

Treasury's notice in the *Federal Register* soliciting public comment on Form BQ-3 was published Monday, September 19, 2011, page 58086. The deadline for receiving pre-clearance comments was November 18, 2011. Because of delays in mail delivery, Treasury waited until November 23 to receive mail. To bring attention to the Federal Register notices, the Federal Reserve Bank of New York (FRBNY) contacted all respondents reporting to FRBNY, and other district Federal Reserve Banks that process TIC data.

Although no changes were proposed in this data collection, we received one letter with comments, from the Department of Commerce' Bureau of Economic Analysis (BEA) dated October 31, 2011. The letter strongly supported the continued collection of TIC B-forms (i.e. BC, BL-1, BL-2, BQ-1, BQ-2, BQ-3), because the data collected on these forms are critical to key components of BEA's economic statistics.

As is done for all TIC forms, discussions regarding all aspects of the reporting form are held on an ongoing basis with staff of the International Reports Division of the Federal Reserve Bank of New York (FRBNY); with staff of the Federal Reserve Board of Governors' Division of International Finance; and with staff of the Bureau of Economic Analysis (BEA) of the Department of Commerce. FRBNY, representing the nation's major financial center, is the

processing center for the review and editing of information reported on Form BQ-3. The Board of Governors and the BEA are both major users of the data in aggregate form.

In addition, the staffs of FRBNY and other district Federal Reserve Banks maintain regular contact with the major respondents. These analysts are in a unique position with respect to advice on changes needed in the forms or reporting instructions for purposes of amending or clarifying data coverage.

9. Explain any decision to provide any payment or gift to respondents.

Regarding Form BQ-3 or any other TIC forms, there has been no provision of payments or gifts to respondents for any purpose.

10. Describe any assurance of confidentiality provided to respondents and the basis for assurance in statute, regulation, or agency policy.

As is the case for all TIC forms, individual respondent data are considered confidential, and access to that information is strictly limited to selected staff of the Treasury, the Federal Reserve Board of Governors and the district Federal Reserve Banks. Compliance with the Privacy Act is assured.

11. Provide additional justification for any questions of a sensitive nature, such as sexual behavior and attitudes, religious beliefs, and other matters that are commonly considered private.

There are no questions of a sensitive nature.

12. Provide estimates of the hour burden of the collection of information. Also provide estimates of annualized cost to respondents for the hour burdens.

Total annual hour burden:

Number of respondents 117  
Frequency of Responses 4 per year  
Annual Burden 1,872 hours

The respondent population subject to Form BQ-3 is estimated at approximately 117 banks, other depository institutions, bank holding companies, financial holding companies, and brokers and dealers, based on the reporting threshold that will require reporting by only the larger respondents. We expect about 468 responses per year. With an estimated average reporting burden of four hours per filing, based on information from several respondents, the estimated total reporting burden on the public is 1,872 hours per year.

# Respondents	# Responses per	Total Annual	Hours Per	Total Burden
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	Respondent	Responses	Response	
117	4	468	4.0	1,872

Generally, completion and review of the form involves two persons. It is estimated that the average wage of persons completing the forms is \$31.06 per hour (corresponding to an annual salary of \$64,600), while that of supervisory or other more senior staff reviewing the forms is \$40.05 per hour (corresponding to an annual salary of \$83,300). For 117 respondents filing 4 times per year, and using an average of three hours per form completion plus one hour per review, the total annualized cost to respondents for the burden hours is estimated to be \$62,352.

13. Provide an estimate for the total annual cost burden to respondents or record keepers not included in Item 12 and Item 14.

Total annual cost burden:

(a) Total annualized capital and start-up costs are estimated to be \$0 (zero dollars). In general, reporting on the form requires neither specialized capital equipment, nor fixed or variable costs that are not already associated with the customary and usual business practices of respondents.

(b) Total annualized operations, maintenance, and purchases of services costs are estimated to be \$0 (zero dollars). Reporting on the form does not in general impose operations, maintenance, or specialized services costs that are not already associated with the customary and usual practices of respondents.

The above cost estimates are not expected to vary widely among respondents.

Note: As required by OMB, the *Federal Register* notice of September 19, 2011, included an explicit request for public comments on the estimates of cost burden that are not captured in the estimates of burden hours. No comments on cost estimates were received.

14. Provide estimates of annualized costs to the Federal government.

Consistent with procedures for all TIC reports, Form BQ-3 is printed, circulated, collected and edited by the Federal Reserve Banks that process TIC data. All TIC reports, including Form BQ-3, are made available on the Treasury TIC website at <http://www.treasury.gov/resource-center/data-chart-center/tic/Pages/forms-b.aspx>.

The total annualized cost to the Federal government is estimated to be approximately \$320,557. The figures are best estimates by the staff of the Federal Reserve Bank of New York using their standard accounting and costing procedures and are based in part on experience gained by conducting other TIC surveys. Treasury Department staff has included additional costs for reviewing, preparing reports, advisory services, etc.

### Estimated Annual Federal Costs for Forms BQ-3

Salaries and Benefits:	\$128,244
Overhead and Support Costs on Salaries and benefits	\$160,145
Computer Systems and Programming Costs:	\$32,168
Totals	\$320,557

15. Explain the reasons for any program changes or adjustments reported in Items 13 or 14 of OMB Form 83-I.

For Form BQ-3, there is an increase in burden hours to 1,872, as compared to the estimate of 1,568 currently carried in OMB's Information Collection Inventory. The total overall increase is the result of an increase of 304 hours due to the increase in the number of respondents.

16. For collections of information whose results will be published, outline plans for tabulation and publication. Provide the time schedule for the entire project.

Form BQ-3 is needed to collect the data on an ongoing basis. The detailed data is used in the computation of the repayment schedules for gross external debt of the U.S. The Table C containing the repayment schedules is published quarterly on Treasury's TIC website (<http://www.treasury.gov/resource-center/data-chart-center/tic/Pages/external-debt.aspx>). Data are published or otherwise made publicly available in aggregate form only, so as to avoid violating the confidentiality of any single respondent's submission. In addition, tabulations of these data are made on an *ad hoc* basis for senior officials at the Treasury and the Board of Governors and other offices at Treasury and the Board.

17. If seeking approval to not display the expiration date for OMB approval, explain the reasons that display would be inappropriate.

Approval to not display the expiration date for OMB approval on the forms has previously been granted.

18. Explain each exception to the certification statement identified in Item 19 of OMB Form 83-I.

Regarding this request for OMB approval, there are no exceptions to the certification statement in item 19 of Form 83-I.

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