

DRAFT - January 29, 2013

Board of Governors of the Federal Reserve System



**Instructions for Preparation of
The Report of Selected Money Markets Rates
Reporting Form FR 2420**

Effective April 1, 2014

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Instructions for the preparation of the Report of Selected Money Markets Rates

FR 2420

The FR 2420 report collects detailed data on banking institutions' daily transactions in selected money market instruments. Daily transactions are transactions executed on the report date, not outstanding close of business on the report date. The report has three parts. Part A collects data on domestic federal funds purchased. Part B collects data on Eurodollar liabilities. Part C collects data on CDs issued by domestic offices. These data will include for each transaction: the dollar amount, the maturity, the interest rate, and other associated information.

GENERAL INSTRUCTIONS

1. Purpose

The FR 2420 is used to monitor market activity in selected money market instruments.

2. Authority

The FR 2420 reports are authorized by law (12 U.S.C. 248(a)).

3. Confidentiality and Burden

The Federal Reserve Board regards the individual organization information provided by each respondent as confidential (5 U.S.C. § 552(b)(4)). The Federal Reserve, however, may publish aggregate or summary information in a way that does not reveal your individual organization's confidential information. If it should be determined subsequently that any information collected on this form must be released, the respondents will be notified.

4. Reporting Criteria

The following banking organizations must file the FR 2420 daily:

- a. Every national bank, state member bank, insured state non-member bank, and savings association with total assets of \$26 billion or more as of the most recent September 30 Call Report (FFIEC 031 or 041).
- b. Every U.S. branch and agency of a foreign bank with total third party assets of \$900 million or more as of the most recent September 30 FFIEC 002 Report (RAL Item 3 less RAL Item 2.a.) Please note that these entities will report only Part A and Part C of the FR 2420.

Shifts in Reporting Status

The reporting criteria are evaluated annually (after the FR 2420 implementation date). If a banking organization meets the threshold to report based on the September 30 regulatory report filing, the banking organization must begin to report the FR 2420 effective January 1 of the following year. If a banking organization that reports on the FR 2420 falls below the threshold based on the September 30 regulatory report filing, the banking organization must continue to report until the December 31 report date.

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5. Where to Submit Reports

All respondents must submit their completed report using the Federal Reserve System's Reporting Central system. The Federal Reserve Bank of New York (FRBNY) will provide technical assistance to any respondent requiring guidance in creating files for submission via Reporting Central. See: http://www.frbservices.org/centralbank/reportingcentral/resource_center.html for additional information on the Reporting Central system.

6. When to Submit Reports

Respondents must file the FR 2420 for each business day as follows:

- a. Part A, Federal Funds, is due by 7 a.m. one business day after the report date.
- b. Part B, Eurodollars, is due by 7 a.m. one business day after the report date.
- c. Part C, Certificates of Deposit (CDs) is due by 2 p.m. two business days after the report date.

If the submission date falls on a weekend or holiday, the data must be received on the first business day after the weekend or holiday. No other extensions of time for submitting reports will be granted.

7. How to Prepare Reports

Respondents are required to prepare and file the FR 2420 in accordance with generally accepted accounting principles (GAAP) and these instructions.

Rules of Consolidation:

a. FFIEC 031 and FFIEC 041 Reporters:

For Part A and Part C, institutions with foreign offices must follow the Call Report instructions for consolidation in the domestic-office portion of the FFIEC 031. That is, domestic branches and majority-owned domestic subsidiaries that meet the tests of significance (as described in the General Instructions of the Call Report) are to be fully consolidated on this report.

For Part A and Part C, institutions with domestic offices only must follow the Call Report instructions for consolidation in the FFIEC 041. That is, domestic branches and majority-owned domestic subsidiaries that meet the tests of significance (as described in the General Instructions of the Call Report) are to be fully consolidated on this report.

For Part B, U.S. commercial banks and thrifts should consolidate all reportable liabilities for each foreign office that exceeds \$2 billion or more in total assets.

b. FFIEC 002 Reporters:

For Part A and Part C, U.S. branches and agencies of foreign banks must follow the FFIEC 002 instructions for consolidation. Each designated branch or agency of a given foreign bank must file a separate report unless the foreign bank submitted a consolidated FFIEC 002 for two or more of its offices. In such cases, a consolidated FR 2420 must be filed. Respondents should contact the Federal Reserve Bank of New York to obtain permission for any deviation from this practice.

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For Part B, please note that U.S. branches and agencies of foreign banks do not report under Part B.

8. Amended Reports

The Federal Reserve will require the filing of amended reports if reports as previously submitted contain significant errors. Please contact the Federal Reserve Bank of New York's Statistics Function concerning amended reports. Respondents must submit amended reports using the Federal Reserve Systems' Reporting Central system.

9. Reported Data

a. Dollar Amount Denomination

All amounts on the FR 2420 are reported in millions of dollars.

Rounding: All dollar amounts must be reported in millions, with amounts rounded to the nearest million. Transactions less than \$1 million should not be reported.

b. Interest Rates

All rates reported on the FR 2420 should always be expressed in terms of five decimal places. (e.g., 2.53 percent would be expressed as 2.53000; ½ percent would be expressed as 0.50000.)

c. Reported Transactions

Amounts reported represent the transactions that were executed on the report date, not the outstanding balances as of that date.

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PART A: FEDERAL FUNDS

This section contains line item instructions on federal funds transactions.

1. Definition

Respondents should report all unsecured borrowings of U.S. dollars made to the institution's U.S. offices at the close of business for the report date. Exclude the following borrowings from Part A:

- Deposits (as defined on the Schedule E of the Call Report and the FFIEC 002)
- Debt instruments (using the assets definitions on Schedule B and Schedule D of the Call Report and the FFIEC 002)
- Repurchase agreements and security lending transactions (as defined on RC, Item 14.b on the Call Report and RAL or Item 4.b.2 on the FFIEC 002).
- Equity (as defined on RC, Item 28 on the Call Report)
- Currency and Coin
- Overdrafts
- Affiliate and related party transactions (i.e., intercompany transactions).
- Intraday transactions
- All forward starting transactions, even when the reporting date is the settlement date
- Unsecured borrowings made to the institution's International Banking Facility (IBF).

2. Items to Report

DOLLAR AMOUNT

Report the amount (in millions of dollars) of each reportable federal funds transaction that settles (i.e., the date the receipt of the funds is executed and funds are made available to the reporting institution) on the report date. If no transactions were executed on the report date, report "0."

Rounding: All dollar amounts must be reported in millions, with amounts rounded to the nearest million. Transactions less than \$1 million should not be reported.

MATURITY DATE

Report the maturity date of each transaction in YYYYMMDD format. In cases where the transaction does not have a specific maturity date enter 99991231.

INTEREST RATE

Report the interest rate applicable to the transaction. The interest rate should always be expressed in terms of five decimal places.

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PART B: EURODOLLARS

This section contains line item instructions on Eurodollar transactions. Please note that Part B should not be submitted by U.S. branches and agencies of foreign banks.

1. Definition

Respondents should report all unsecured liabilities at the close of business in U.S. dollars booked at each non-U.S. office whose total assets booked at that office exceed \$2 billion at the close of business for the report date.

Exclude the following borrowings from Eurodollar transactions:

- Demand deposits (as defined on the Schedule E of the Call Report) and any deposit placed under sweep agreements or other contractual cash management agreements (as defined in the General Instructions of the FR 2900 report).
- Debt instruments (using the assets definitions on Schedule B and Schedule D of the Call Report).
- Repurchase agreements and security lending transactions (as defined on RC, Item 14.b on the Call Report).
- Affiliate and related party transactions (i.e., intercompany transactions).
- Overdrafts.
- Intraday transactions.
- Liabilities to individuals.
- Liabilities booked at the institution's IBF.
- All forward starting transactions, even when the reporting date is the settlement date.

2. Items to Report

DOLLAR AMOUNT

Report the amount (in millions of dollars) of each reportable Eurodollar transaction that settles (i.e., the date the receipt of the funds is executed and funds are made available to reporting institution) on the report date. If no transactions were executed on that day, report "0."

Rounding: All dollar amounts must be reported in millions, with amounts rounded to the nearest million. Transactions less than \$1 million should not be reported.

MATURITY DATE

Report the maturity of each transaction in YYYYMMDD format. In cases where the transaction does not have a specific maturity date enter 99991231.

INTEREST RATE

Report the rate applicable to the transaction. The rate should always be expressed in terms of five decimal places.

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PART C: CERTIFICATES OF DEPOSIT (CDs)

This section contains line item instructions on CD transactions.

1. Definition

Report in this part time certificates of deposit that are booked in U.S. offices in U.S. dollars, denominated in amounts of \$1 million or more; and are evidenced by a negotiable or nonnegotiable instrument, or a deposit in book entry form evidenced by a receipt or similar acknowledgement issued by the bank, that provides, on its face, that the amount of such deposit is payable to the bearer, to any specified person, or to the order of a specified person as follows:

- a. On a certain date not less than seven days after the date of deposit,
- b. At the expiration of a specified period not less than seven days after the date of the deposit, or
- c. Upon written notice to the bank which is to be given not less than seven days before the date of withdrawal.

Exclude the following borrowings from CD Transactions:

- All forward starting transactions, even when the report date is the settlement date.
- Market-linked CDs that use derivative transactions as hedges.
- Liabilities booked at the institution's IBF.

2. Items to Report

DOLLAR AMOUNT

Report the amount (in millions of dollars) of each reportable CD transaction that settles (i.e., the date the receipt of the funds is executed and funds are made available to reporting institution) on the report date. If no transactions were executed on the report date, report "0."

Rounding: All dollar amounts must be reported in millions, with amounts rounded to the nearest million. Transactions less than \$1 million should not be reported.

Each transaction should be reported separately even when all terms of the CDs issued match. However, transactions such as brokered deposits, where CDs are placed by a third party after the CD's issuance, should be reported as one transaction.

Report the renewal of an existing CD on the day it becomes outstanding with its new terms. For variable rate CDs, report only at inception regardless of changes in the terms of the CD before its maturity.

MATURITY DATE

Report the maturity of each transaction in YYYYMMDD format.

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INTEREST RATE

Report the rate applicable to the transaction. The rate should always be expressed in terms of five decimal places. If a CD's floating rate uses a reference rate, report the rate applicable at the inception of the transaction.

FLOATING OR FIXED RATE

If the CD has a floating rate, enter 1. If the rate is fixed enter 2. CDs that have a reset period should be reported as fixed.

RESET PERIOD

Enter the value below to describe the frequency for when the rate for the reported CD can reset.

- 0 - No Reset
- 1 - Weekly
- 2 - Monthly
- 3 - Quarterly
- 4 - Semi-annually
- 5 - Annually
- 6 - Other

REFERENCE RATE

If the CD has a floating rate, enter the value below to describe the reference rate. Enter 0 if the CD has a fixed rate.

- 0 - NA
- 1 - Federal Funds Effective Rate
- 2 - Prime
- 3 - 1 Month U.S. Treasury Constant Maturity Rate
- 4 - 1 Month LIBOR
- 5 - 3 Month LIBOR
- 6 - Overnight Swap Index
- 7 - Other

NEGOTIABLE

Please enter Y if the CD is negotiable or N if the CD is non-negotiable.