

**Supporting Statement for the
Complex Institution Liquidity Monitoring Report (FR 2052a) and the
Liquidity Monitoring Report (FR 2052b) (OMB No. 7100-0361)**

Summary

The Board of Governors of the Federal Reserve System, under delegated authority from the Office of Management and Budget (OMB), proposes to extend for three years, with revision, the Complex Institution Liquidity Monitoring Report (FR 2052a) and the Liquidity Monitoring Report (FR 2052b) (OMB No. 7100-0361). The FR 2052 reports are authorized by section 5 of the Bank Holding Company Act and section 165 of the Dodd-Frank Act. The FR 2052a and FR 2052b reports collect quantitative information on selected assets, liabilities, funding activities, and contingent liabilities on a consolidated basis and by material entity. U.S. bank holding companies (BHCs) designated by the Financial Stability Board (FSB) as Global Systematically Important Banks (G-SIBs) report the complete FR 2052a daily. Foreign banking organizations (FBOs) with U.S. broker/dealer assets of \$100 billion or more report the complete FR 2052a on occasion and an abbreviated FR 2052a (as discussed further below) twice a month. U.S. BHCs (excluding G-SIBs) with total consolidated assets of \$50 billion or more (including FBO subsidiaries) and U.S. BHCs (not controlled by FBOs) with total consolidated assets of \$10 billion to \$50 billion report on the FR 2052b monthly and quarterly, respectively.

The FR 2052 reports are used to monitor the overall liquidity profile of institutions supervised by the Federal Reserve. These data provide detailed information on the liquidity risks within different business lines (e.g., financing of securities positions and prime brokerage activities). In particular, these data serve as part of the Federal Reserve's supervisory surveillance program in its liquidity risk management area and provide timely information on firm-specific liquidity risks during periods of stress. Analysis of systemic and idiosyncratic liquidity risk issues are then used to inform the Federal Reserve's supervisory processes, including the preparation of analytical reports that detail funding vulnerabilities. Additionally, FR 2052a will allow the Federal Reserve to monitor compliance with the liquidity coverage ratio.

The Federal Reserve revised the FR 2052a by 1) modifying the firms that are required to respond, the applicable asset threshold, and frequency of reporting; 2) including a data structure that subdivides three general categories of inflows, outflows and supplemental items into 10 distinct data tables; 3) requiring all U.S. firms with total consolidated assets of \$250 billion or more or foreign exposure of \$10 billion or more and all FBOs with total U.S. assets of \$50 billion or more to report liquidity profiles by major currency for each material entity of the reporting institution; 4) collecting more detail regarding securities financing transactions, wholesale unsecured funding, deposits, loans, unfunded commitments, collateral, derivatives, and foreign exchange transactions; and 5) changing the structure of the collection from a spreadsheet format to an XML format.

The Federal Reserve revised the FR 2052b reporting panel by modifying the firms that are required to respond and the applicable asset threshold, and eliminating monthly reporting.

The total current annual paperwork burden for the FR 2052 reports is estimated to be 460,480 hours. With the proposed revisions, the paperwork burden for 2015 is estimated to initially decrease, then incrementally increase for 2016, 2017, and 2018, for an annual net increase of 266,480 hours. A draft copy of the proposed instructions is attached.

Background and Justification

The financial crisis of 2007 and 2008 highlighted the need for timely liquidity data to identify and monitor liquidity risks at individual firms as well as in the aggregate across the financial system. The data provided in the FR 2052 reports meet this need. The crisis highlighted the importance of understanding intra-company flows and exposures within a consolidated institution. Capturing such flows is a focus of the FR 2052a, particularly at large, systemically important, globally active U.S. banking institutions. A single, consolidated view is not sufficient to provide meaningful insight into an institution's liquidity profile. Rather, disaggregated views by legal entities (parent company, broker-dealer entities, bank entities, etc.) have contributed to supervisory monitoring efforts and risk supervision by identifying vulnerabilities posed by potential impediments to the movement of liquidity across legal entities. The modified FR 2052a report would provide sufficient detail to monitor compliance of those institutions subject to the liquidity coverage ratio in the United States, finalized in September 2014 (LCR rule).¹ Furthermore, the collection of these data assists with the Federal Reserve's macroprudential supervision. For example, some of the instruments that are commonly used in conjunction with an institution's funding and liquidity activities (e.g., financing of securities positions) may have also been at the center of stress points during periods of systemic risk.

Description of Information Collection

Data from the FR 2052 reports are used to monitor the liquidity profile and also provide detailed information on the liquidity risks within different business lines within a firm. Data from these reports serve as part of the Federal Reserve's supervisory surveillance program in its liquidity risk management area and provide timely information on firm-specific liquidity risks during periods of stress. These reports assist in supervisory assessments of liquidity risk levels and conditions at individual institutions.

Current FR 2052a

The FR 2052a report includes sections covering broad funding classifications by product, outstanding balance, purpose, and segmented by maturity date. Generally, each section can be classified into one of the following categories:

- **Section 1: Secured Financing:** Institutions report obligations and lending activities backed by the pledge of assets or other collateral. This section includes asset-backed commercial paper (single-seller and multi-seller arrangements), term asset-backed securities, collateralized commercial paper, and other secured financing.

¹ See 79 FR 61440 (October 10, 2014).

- Section 2: Official Government Sources Drawn: Institutions report their borrowings from the Federal Reserve and other Central Banks, Federal Home Loan Banks (FHLBs) as well as any amounts drawn from official government sources.
- Section 3: Repurchase & Securities Lending Transactions: Institutions report repurchase and securities lending transactions such as those conducted under a Global Master Repo Agreement, Master Securities Loan Agreement or a Master Securities Forward Transaction Agreement. Repurchase & Securities Lending Transactions would be grouped according to specific categories pre-identified by the Federal Reserve.
- Section 4: Unencumbered Assets: Institutions report the amount of assets that are free and clear of any encumbrances such as creditor claims or liens. Unencumbered assets would be grouped according to specific categories pre-identified by the Federal Reserve.
- Section 5: Expected Cash Inflows: Institutions report cash and collateral inflows, for example those related to derivatives, and not covered in any other section.
- Section 6: Cash Inflows from External Counterparties: Institutions report inflows related to Fed funds and Eurodollars sold and other loan cash inflows.
- Section 7: Reverse Repurchase & Securities Borrowing Transactions: Institutions report reverse repurchase and securities borrowing transactions such as those conducted under a Global Master Repo Agreement, Master Securities Loan Agreement or a Master Securities Forward Transaction Agreement. Reverse Repurchase & Securities Borrowing Transactions are grouped according to specific categories pre-identified by the Federal Reserve.
- Section 8: Unsecured Financing: Institutions report the amount of obligations not backed by the pledge of specific collateral. Categories include commercial paper, wholesale certificates of deposit and bank notes, promissory notes, Fed funds and Eurodollars purchased, long-term debt (structured and non-structured), draws on committed lines from external entities and other unsecured financing.
- Section 9: Central Bank, FHLB Sources, and Nostro Balances: Institutions report cash balances maintained at the Federal Reserve and at other central banks. Firms' cash balances held at other financial institutions (Nostro balances) would be reported.
- Section 10: Deposit Funding: Institutions report the amounts of retail and wholesale deposits and retail CDs based on Basel III classifications as of the December 2010 release. These classifications differentiate between accounts that are stable versus less stable and operating versus non-operating. Institutions would report wholesale CDs in Section 8.
- Section 11: Expected Cash Outflows: Institutions report cash and collateral outflows, for example those related to derivatives, and not covered in any other section.
- Section 12: Operating Cash Flows: Institutions report operating cash flows related to prime brokerage (e.g., free credits, external/internal funding used to cover customer shorts, margin loans, lockup cash flows) to help supervisors disentangle firm-specific and business-specific trends. Expected cash outflows/inflows related to derivatives activities is also reported.
- Section 13: Unsecured Internal Cash Flows: Institutions report unsecured lending between internal entities.
- Section 14: Secured Internal Cash Flows: Institutions report the amounts of repurchase, reverse-repurchase, and securities borrowing and securities lending transactions between

legal entities. Secured Internal Cash Flows are grouped according to specific categories pre-identified by the Federal Reserve.

- **Section 15: Contingency Line Items:** Institutions report all contingent items that could impact the funding and liquidity at the reporting institution. Examples include undrawn commitments provided to external counterparties. Institutions also report the total cumulative market value of additional collateral their counterparties will require the Institutions to post as a result of various levels of credit rating downgrades.
- **Section 16: Funding Pricing:** Institutions report the market rates paid to third parties to execute secured and unsecured transactions.

U.S. BHCs designated by the FSB as G-SIBs are required to provide a complete FR 2052a daily. For continuous monitoring purposes, FBOs with U.S. broker-dealer assets of \$100 billion or more are required to provide a complete FR 2052a report on an occasional basis. These FBOs also submit an abbreviated FR 2052a report twice a month as reflected in Appendix C of the FR 2052a instructions.

The Federal Reserve may also conduct up to 10 ad-hoc collections of daily liquidity data from a total of 16 respondents. The ad-hoc collections consist of approximately 65 data items not currently reported on the FR 2052a. Results from the ad-hoc collections are used to develop future enhancements to the FR 2052a report.

Current FR 2052b

The FR 2052b includes sections covering broad funding classifications by product, outstanding balance, purpose, and segmented by maturity date. Generally, each section may be classified into one the following categories:

- **Section 1: Liquid Assets:** Institutions report cash balances maintained at the Federal Reserve and at other central banks. Firms' cash balances held at other financial institutions are reported as well as physical currency and coin positions.
- **Section 2: Reverse Repos:** Institutions report reverse repos by maturity and security collateral type.
- **Section 3: Investment Securities:** Institutions report assets by risk weight and type, segregating those that are unencumbered from those that are pledged to garner secured funding by the counterparty type (FHLB, Central Bank, etc.) to which the collateral is pledged. Both marketable and lendable values should be included.
- **Section 4: Loans and Leases:** Institutions report loans by type, segregating those that are unencumbered from those that are pledged to garner secured funding by the counterparty type to which the collateral is pledged.
- **Section 5: Secured Funding Sources Outstanding:** Institutions report their borrowing outstanding by maturity from the Federal Reserve, the FHLB, and other secured financing facilities.
- **Section 6: Repurchase Transaction:** Institutions report repurchase transactions by securities collateral type and maturity.
- **Section 7: Unsecured Financing:** Institutions report the amount of obligations not backed by the pledge of specific collateral. Categories include commercial paper, wholesale

certificates of deposits and bank notes, Fed funds and Eurodollars purchased, long-term debt (structured and non-structured), draws on committed lines from external entities and other unsecured financing.

- **Section 8: Estimated Core Funding Gap:** The Net Loan Growth/Attrition and Net Retail Deposit Growth/Attrition line items are included to capture the forecasted (best estimate, non-stressed) change in loan and retail deposits over the stated horizon.
- **Section 9: Contractual Loan Inflows and Committed Inflow:** Institutions report contractual inflows of all maturing performing loans are listed in the corresponding maturity columns.
- **Section 10.4: Brokered CDs/NMDs:** Institutions report all insured and uninsured deposits originated through financial advisory or broker sales force. This should include deposits sourced from deposit gatherers. Brokered deposits represent funds which the reporting bank obtains, directly or indirectly, by or through any deposit broker for deposit into one or more deposit accounts. Thus, brokered deposits include both those in which the entire beneficial interest in a given bank deposit account or instrument is held by a single depositor and those in which the deposit broker sells participations in a given bank deposit account or instrument to one or more investors.
- **Section 11: ABCP Exposure:** Institutions report the outstanding asset backed commercial paper issued to fund the assets of a single or several unrelated sellers.
- **Section 12:** Not applicable.²
- **Sections 13 - 18: Parent Company Schedule:** Institutions report items in the Parent Company Only section which relate only to the Parent Company. Included are fields for liquid assets, forecasts of cash inflows (such as dividends from subsidiaries and operations) and outflows (such as operating expenses, dividends, subsidiary support and debt service), unsecured financing (such as commercial paper, debt and draws on committed lines), and committed liquidity and credit facilities provided to third-party banks.
- **Sections 19 -20: Pricing Schedule:** Section 19, Credit Default Swap (CDS) - Institutions report (in basis points) the CDS 5 year (or closest tenor available) spread or premium per annum. Section 20, Unsecured Funding - Institutions report the market rates paid to third parties to execute unsecured transactions, by BHC, across the maturity spectrum. If market funding quotes are unavailable, the institution's internal funds pricing curve could be used as a supplement.

U.S. BHCs (excluding G-SIBs) with total consolidated assets of \$50 billion or more (including FBO subsidiaries) and U.S. BHCs (not controlled by FBOs) with total consolidated assets of \$10 billion to \$50 billion report on the FR 2052b monthly and quarterly, respectively.

Proposed FR 2052a Revisions

The Federal Reserve proposes to revise the FR 2052a report to improve the effectiveness of its supervisory surveillance program. In general, the revisions would provide additional detail to facilitate a more sophisticated approach to monitoring liquidity risk. Additionally, the

² The Federal Reserve temporarily exempted FR 2052b filers from reporting Section 12 "Undrawn Commitments and Contingent Liquidity Needs" until modifications could be made to more closely align with the LCR rule. Section 12 was retained as a placeholder to reduce respondent reprogramming burden.

revisions to FR 2052a would allow the Federal Reserve to monitor compliance with the LCR Rule. For all U.S. firms with total consolidated assets of \$250 billion or more or foreign exposure of \$10 billion or more and all FBOs with total U.S. assets of \$50 billion or more, liquidity profiles would be reported by currency for each material entity of the reporting institutions, which for BHCs may include sub-divisions of the global banking entity by geographical region, and for FBOs would include material entities managed within the U.S. These dimensions are important because dislocations in foreign exchange markets and restrictions limiting fund transfers can inhibit the ability of a global financial institution to convert its available sources of liquidity to meet its specific needs. The proposed data collection would collect more details regarding securities financing transactions, wholesale unsecured funding, deposits, loans, unfunded commitments, collateral, derivatives, and foreign exchange transactions. The greater level of detail surrounding these activities is necessary to ensure that supervised firms are adequately reserving for the risks based on current supervisory expectations and the Board's Regulation YY. Furthermore, the Federal Reserve proposes to change the structure of the collection to an XML format from a spreadsheet format. This new structure is necessary to accommodate the additional granularity and implement the collection with leading data industry practices.

The revisions to FR 2052a include a data structure that subdivides the three general categories of inflows, outflows, and supplemental items into 10 distinct data tables. These tables are designed to stratify the assets, liabilities and supplemental components of a firm's liquidity risk profile based on products that can be described with common data structures, while still maintaining a coherent framework for liquidity risk reporting.

All U.S. firms with total consolidated assets of \$250 billion or more or foreign exposure of \$10 billion or more and all FBOs with total U.S. assets of \$50 billion or more would report by major currency all data elements denominated in major currencies, while other data elements denominated in non-major currencies would be converted into USD and flagged as converted. All other reporting entities would be able to report exclusively in United States Dollar (USD) by flagging data as converted. Reporting by major currency or flagging a conversion should help supervisors to identify potential currency mismatches. Additionally, data elements would be reported for each material entity, which are identified by the Federal Reserve for a given reporting entity. All entities that are required to comply with the LCR Rule are considered material entities. This granularity in currency and material entity reporting would enhance monitoring of a firm's liquidity resources to ensure they are distributed according to specific needs, considering existing or potential regulatory or other limitations on inter-company liquidity transfers.

The granularity of the data increased for numerous items of FR 2052a. Maturity buckets increased to eliminate potential contractual maturity mismatches in the near term. There are now more categories of assets, largely delineated by the type of security or loan, the structuring of cash flows, and risk-based capital weightings. The list of counterparty types increased, along with the number of products requiring the counterparty to be reported, including loan cash flows, deposits, committed facilities, and certain unsecured borrowings.

The proposed revisions would also draw more distinction between types of securities financing transactions such as collateral swaps, to-be-announced contracts, and the various methods of covering firm or customer short sales. Fields would be added for the amount of re-hypothecation, collateralization, encumbrance, and methods of settlement. The report would provide information on the stock and flow of collateral received and posted for derivative transactions, as well as values of prime brokerage client assets and associated wire transfers. Together, these revisions to secured financing transactions would provide a more complete view of the firm's activities, especially brokerage activities, and certain liquidity risk characteristics, all of which were implicated during the recent financial crisis.

Several new types of deposit accounts would also be added, such as escrow accounts and various categories of brokered deposits and sweeps. Balances that are "fully insured" would be identified, as well as balances that are subject to withdrawal in the event of a specific change or trigger.

Certain elements would be added to capture risk associated with collateral. The potential requirements to post collateral in the event of an adverse move in the mark-to-market value of a firm's derivative portfolio or a change in a firm's financial condition is reported. Additionally, firms would report collateral balances that are contractually owed to a counterparty, but not yet called.

Fields would be added to capture the settlement date cash flows in forward starting transactions. This revision would accommodate "trade date" reporting, which would allow for a more accurate representation of forward looking cash flows.

The instructions for reporting the maturity date of a transaction would also be modified for short term (less than one year) liabilities with call options, as well as certain transactions reported in the Secured Inflows table where the collateral received was rehypothecated.

Reporting of foreign exchange transactions, such as foreign exchange spot, forwards and futures, and swap transactions, would be required for all U.S. firms with total consolidated assets of \$250 billion or more or foreign exposure of \$10 billion or more and all FBOs with total U.S. assets of \$50 billion or more in order to complement the currency level reporting of cash flows.

The proposed revisions to the FR 2052a report includes sections covering broad funding classifications by product, outstanding balance and purpose, segmented by maturity date. Generally, each section can be classified into one of the following categories:

- **Section 1: Inflows-Assets:** Institutions would report assets such as unencumbered assets, borrowing capacity from central banks or FHLBs, unrestricted reserve balances at central banks, restricted reserve balances at central banks, unsettled asset purchases, and forward asset purchases.
- **Section 2: Inflows-Unsecured:** Institutions would report unsecured inflow transactions such as onshore placement, offshore placements, required nostro balances, excess nostro balances, outstanding draws on revolving facilities, and other unsecured loans.

- Section 3: Inflows-Secured: Institutions would report secured inflow transactions such as reverse repurchase agreements, securities borrowing transactions, dollar rolls, collateral swaps, margin loans, other secured loans where the collateral is rehypothecatable, and other secured loans where the collateral is not rehypothecatable.
- Section 4: Inflows-Other: Institutions would report other inflow transactions such as derivatives receivables, collateral called for receipt, sales in the to-be-announced market, undrawn committed facilities purchased, lock-up balances, interest and dividends receivables, a net 30-day derivatives receivables measure, principal payments receivable on unencumbered investment securities, and other inflow transactions.
- Section 5: Outflows-Wholesale: Institutions would report wholesale outflow transactions such as asset-backed commercial paper single-seller outflows, asset-back commercial paper multi-seller outflows, collateralized commercial paper, asset-backed securities, covered bonds, tender option bonds, other asset-backed financing, commercial paper, onshore borrowing, offshore borrowing, unstructured long-term debt, structured long-term debt, government supported debt, unsecured notes, structured notes, wholesale certificates of deposit, draws on committed facilities, free credits, and other unsecured wholesale outflow transactions.
- Section 6: Outflows-Secured: Institutions would report secured outflow transactions such as repurchase agreements, securities lending transactions, dollar rolls, collateral swaps, FHLB Advances, outstanding secured funding from facilities at central banks, customer short transactions, firm short transactions, and other secured outflow transactions.
- Section 7: Outflows-Deposits: Institutions would report deposit outflow transactions such as transactional accounts, non-transactional relationship accounts, non-transactional non-relationship accounts, operational accounts, non-operational accounts, operational escrow accounts, non-reciprocal brokered accounts, affiliated sweep accounts, non-affiliated sweeps accounts, other product sweep accounts, reciprocal accounts, other third-party deposits, and other deposit accounts.
- Section 8: Outflows-Other: Institutions would report other outflow transactions such as derivatives payables, collateral called for delivery, purchases in the to-be-announced market, credit facilities, liquidity facilities, retail mortgage commitments, trade finance instruments, potential derivative valuation changes, loss of rehypothecation rights and collateral required due to changes in financial condition, excess customer margin, commitments to lend on margin to customers, interest and dividends payables, a net 30-day derivatives payables measure, other outflows related to structured transactions, and other cash outflow transactions.
- Section 9: Supplemental-Informational: Institutions would report supplemental information such as initial margin posted and received, variation margin posted and received, collateral dispute receivables and deliverables, collateral that may need to be delivered, collateral that the institution could request to be received, collateral that could be substituted by the institution or a counterparty, long and short market value of client assets, gross client wires received and paid, subsidiary liquidity that cannot be transferred, 23A capacity, outflows or inflows from closing out hedges early, and potential outflows from non-structured or structured debt maturing beyond 30 days where the institution is the primary market maker in that debt.
- Section 10: Supplemental-Foreign Exchange: Institutions would report foreign exchange information such as foreign exchange spot, forwards and futures, and swap transactions.

Tailoring Reporting Requirements

The revisions would tailor the FR 2052a data elements to the size and complexity of the firms by requiring less data and maturity granularity for smaller, less complex firms. The granularity of maturity data would be modified for firms subject to the FR 2052a that are not U.S. firms with total consolidated assets of \$700 billion or more or with assets under custody of \$10 trillion or more or FBOs identified as LISCC firms, with only the residual value of products reported beyond one year. For the smaller firms subject to the FR 2052a, certain products, such as unencumbered assets, inflows from traditional loans, and interest and dividends payable, would be reported according to Appendix IV-b of the instructions. Consistent with the instructions, these firms would be permitted to report these particular products with less granularity, even within one year.

The revisions would tailor reporting for certain broker-dealer activity. For example, for derivatives collateral reporting, firms that do not meet a certain threshold could use a default sub-product. Additionally, the product for reporting interest payments could be ignored for amortizing products if the interest is aggregated with principal and reported in the product for principal amounts. Also, certain products which implicate inflows that are not part of the LCR calculation could be optionally ignored, such as sleeper collateral receivables and derivative collateral substitution capacity. There would also be certain products that are specific to services provided by broker-dealers, so the FR 2052a would not require those specific products to be reported unless the firm has a significant broker-dealer.

Mapping Document

The revisions to the FR 2052a would include an appendix to the instructions that maps the provisions of the LCR to the data elements reported on the FR 2052a. This mapping document would not be a part of the LCR rule or a component of the FR 2052a report. Firms would be able to use the mapping document solely at their discretion.

Additional Changes

The revisions would make additional changes to the FR 2052a reporting instructions and would provide additional information describing a “material entity” for the purposes of the reporting form. The revisions would also implement a supervisory process to determine which entities are deemed material, which would include consideration of size, complexity, business activities, and overall risk profile of the entity.

The revisions would require firms to retain data for one year because the Federal Reserve believes that one year is an appropriate amount of data, as it is likely that a firm may need to look back farther than 6 months, but unlikely that a review of data older than 1 year will be necessary.

Proposed FR 2052b Revisions

The revisions to the FR 2052b reporting panel would eliminate the monthly reporting frequency. The U.S. BHCs that are not controlled by FBOs with total consolidated assets of \$10 billion or more, but less than \$50 billion would submit reports on a quarterly basis within 15 days after the “as-of date.” Firms reporting on the FR 2052b would be required to continue reporting without interruption.

Current Reporting Panel and Frequency of Submissions³

The current scope of application, frequency, and submission dates are contained in the following table.

<i>Report Number</i>	<i>Reporter Description</i>	<i>Frequency</i>	<i>As-of Date</i>	<i>Submission Date</i>
FR 2052a	U.S. BHCs that the Financial Stability Board designated as Global Systematically Important Banks (G-SIBs)	Daily	09/11/2014	09/15/2014
FR 2052a	Foreign banking organizations with U.S. broker/dealer assets > \$100 billion	On Occasion (FR 2052a; complete report) Twice a month (FR 2052a; abbreviated report)	TBD Advanced notice from supervisors 09/11/2014	TBD Advanced notice from supervisors 09/15/2014
FR 2052b	U.S. BHCs (excluding G-SIBs) with total consolidated assets greater than \$50 billion (including FBO subsidiaries)	Monthly	11/30/2014	12/15/2014
FR 2052b	U.S. BHCs (not controlled by FBOs) with total consolidated assets of between \$10 billion and \$50 billion	Quarterly	12/31/2014	01/15/2015

U.S. BHCs filing the FR 2052a are required to submit data on a consolidated basis as well as by material legal entity. These material legal entities are determined by the institutions and their Reserve Banks and are based upon size and importance of the subsidiary’s liquidity

³ Savings and Loan Holding Companies (SLHCs) are not subject to these reporting requirements, however, through future rulemakings these institutions may be required to participate in some form of liquidity monitoring.

profile to the holding company. These institutions report all material bank, broker-dealer, and non-bank entities contributing to the institution’s funding and liquidity operations.

Foreign banking organizations filing the FR 2052a must submit separate reports for each material entity. FBOs with \$100 billion or more in U.S. broker-dealer assets are required to submit separate reports for each material entity in their U.S. operations and for their consolidated U.S. operations, excluding U.S. BHCs. Material entities (including material foreign branches) are entities that pose liquidity risk, provide liquidity support to, or depend on liquidity support from, affiliates. The Federal Reserve does not consider the asset size of the entity to be the determining factor of whether the subsidiary should be treated as material for purposes of liquidity risk monitoring. Institutions are required to consult with supervisors to determine which entities are material for purposes of the liquidity reporting requirements.

BHCs filing the FR 2052b report consolidated information and provide parent entity specific information using the additional schedule included within the FR 2052b.

Revised Reporting Panel and Frequency of Submissions⁴

The Federal Reserve proposes to revise the scope of application, frequency, submission dates, and timing of submission as shown in the following table.

<i>Report Number</i>	<i>Reporter Description</i>	<i>Frequency</i>	<i>First As-of Date</i>	<i>First Submission Date⁵</i>	<i>Timing of Submission</i>
FR 2052a	<ul style="list-style-type: none"> U.S. firms with total consolidated assets \geq \$700 billion or with \geq \$10 trillion in assets under custody, and FBOs identified as LISCC firms 	Daily	12/14/2015 ⁶	12/16/2015	T+2
FR 2052a	<ul style="list-style-type: none"> U.S. firms with total consolidated assets $<$ \$700 billion and with $<$ 	Monthly	01/31/2017 ⁷	02/15/2017	T+15

⁴ SLHCs that are not subject to the LCR are not subject to these reporting requirements; however, through future rulemakings these institutions may be required to participate in some form of liquidity monitoring. Nonbank financial companies designated for Federal Reserve supervision by the Financial Stability Oversight Council under section 113 of the Dodd-Frank Act (12 U.S.C. § 5323), to which the Federal Reserve has applied the requirements of the liquidity coverage ratio by rule or order are not subject to these reporting requirements unless included in the rule or order.

⁵ For U.S. bank holidays and weekends, no positions should be reported. For data reported by entities in international locations, if there is a local bank holiday, submit data for those entities using the data from the previous business day.

⁶ These firms must comply with the transitions set forth in the LCR. However, these firms do not need to report on the FR 2052a until this reporting as-of date.

⁷ These firms must comply with the transitions set forth in the LCR Rule, which requires an LCR calculation monthly starting in January 2015. However, these firms do not need to report on the FR 2052a until this reporting as-of date.

	<ul style="list-style-type: none"> \$10 trillion in assets under custody, but total consolidated assets \geq \$250 billion or foreign exposure \geq \$10 billion, and FBOs that are not identified as LISCC firms, but with U.S. assets \geq \$250 billion 	Monthly ⁸	07/31/2017	08/02/2017	T+2
FR 2052a	<ul style="list-style-type: none"> U.S. firms with total consolidated assets \geq \$50 billion, but total consolidated assets $<$ \$250 billion and foreign exposure $<$ \$10 billion, and FBOs that are not identified as LISCC firms and with U.S. assets $<$ \$250 billion, but U.S. assets \geq \$50 billion 	Monthly	07/31/2017	08/15/2017	T+15
		Monthly ⁹	01/31/2018	02/10/2018	T+10
FR 2052b ¹⁰	<ul style="list-style-type: none"> U.S. BHCs (not controlled by FBOs) with total consolidated assets of between \$10 billion and \$50 billion 	Quarterly	12/31/2015	01/15/2016	T+15

As illustrated in the table above, the Federal Reserve will implement three categories of treatment for both U.S. firms and FBOs, according to the asset size of the firm and whether it has been identified as a LISCC firm. Thus, the Federal Reserve will accord U.S. firms and FBOs of similar size the same treatment because similarly situated firms should be treated in a similar manner. Additionally, the Federal Reserve will implement the following transition periods for the timing of the data submission. All firms subject to FR 2052a reporting requirements, except for U.S. firms with total consolidated assets of \$700 billion or more or with assets under custody of \$10 trillion or more, and FBOs identified as LISCC firms, will have a T+15 submission requirement at their first effective date. Subsequently, the timing of the submission will be reduced until it reaches the final timing of submission requirement. Because of the importance of timely liquidity data for the largest firms, the final timing of submission will remain T+2 days. However, for U.S. firms with total consolidated assets of \$50 billion or more, but less than \$250 billion and foreign exposure of less than \$10 billion, and FBOs with U.S. assets of \$50 billion or more and less than \$250 billion that are not identified as LISCC firms, the final timing of submission requirement will be T+10 days due to these firms' smaller contributions to systemic risk. Additionally, for all FR 2052a filers, as set forth in the instructions, the Federal Reserve will change the submission time on the submission date to 3:00pm ET, which will provide firms additional time to prepare the data submissions. The T+15 timing of submission requirement for the FR 2052b will remain unchanged.

⁸ Consistent with current supervisory authority and processes, during periods of stress the Federal Reserve may temporarily request the FR 2052a liquidity data on a more frequent basis.

⁹ Consistent with current supervisory authority and processes, during periods of stress the Federal Reserve may temporarily request the FR 2052a liquidity data on a more frequent basis.

¹⁰ The FR 2052b would not change for U.S. BHCs (not controlled by FBOs) with total consolidated assets of between \$10 billion and \$50 billion, so the frequency and as-of date would be the same as it is currently.

In addition, for U.S. firms with total consolidated assets of \$700 billion or more or with assets under custody of \$10 trillion or more, and FBOs identified as LISCC firms, the Federal Reserve will collect data as of November 30, 2015 with a request for submission on December 2, 2015. Responses to this one-time information collection are voluntary.

Legal Status

The Board's Legal Division has determined that the liquidity monitoring reports are authorized pursuant to section 5 of the Bank Holding Company Act (12 U.S.C. § 1844), section 8 of the International Banking Act (12 U.S.C. § 3106), and section 165 of the Dodd-Frank Act (12 U.S.C. § 5365) and are mandatory, with voluntary early reporting on FR 2052a for U.S. firms with total consolidated assets of \$700 billion or more or with assets under custody of \$10 trillion or more, and FBOs identified as LISCC firms. Section 5(c) of the Bank Holding Company Act authorizes the Board to require BHCs to submit reports to the Board regarding their financial condition. Section 8(a) of the International Banking Act subjects FBOs to the provisions of the Bank Holding Company Act. Section 165 of the Dodd-Frank Act requires the Board to establish prudential standards for certain BHCs and FBOs, which include liquidity requirements. The individual financial institution information provided by each respondent would be accorded confidential treatment under exemption 8 of the Freedom of Information Act (5 U.S.C. § 552(b)(8)). In addition, the institution information provided by each respondent would not be otherwise available to the public and is entitled to confidential treatment under exemption 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.

Consultation Outside the Agency

On December 2, 2014, the Federal Reserve published a notice in the *Federal Register* (79 FR 71416) requesting public comment for 60 days on the extension, with revision, of the FR 2052a and FR 2052b. The comment period for this notice expired on February 2, 2015. The Federal Reserve received eight comment letters on the proposed revisions to the FR 2052 reports: two from trade associations, five from U.S. banking organizations, and one from an FBO. In addition, the Federal Reserve held several meetings with banks and trade associations. In general, the comments focused on scope of application, transition periods, timing of data submission, tailoring of the requirements to certain institutions, application to firms subject to the modified LCR, application to nonbank financial companies supervised by the Federal Reserve, availability of a template and mapping document, and other changes. The comments and responses are discussed in detail below. In addition, the Federal Reserve has revised the proposed reporting formats and instructions, as appropriate, in response to the technical comments received. On November 17, 2015, the Federal Reserve published a final notice in the *Federal Register* (80 FR 71795).

Detailed Discussion of Public Comments

Initially Proposed FR 2052a and FR 2052b Revisions

The Federal Reserve initially proposed to revise the FR 2052a report by 1) modifying the

firms that are required to respond, the applicable asset threshold, and frequency of reporting; 2) including a data structure that subdivides three general categories of inflows, outflows, and supplemental items into 10 distinct data tables; 3) requiring all U.S. firms with total consolidated assets of \$250 billion or more or foreign exposure of \$10 billion or more and all FBOs with total U.S. assets of \$50 billion or more to report liquidity profiles by major currency for each material entity of the reporting institution; 4) collecting more detail regarding securities financing transactions, wholesale unsecured funding, deposits, loans, unfunded commitments, collateral, derivatives, and foreign exchange transactions; and 5) changing the structure of the collection to an XML format from a spreadsheet format.

The Federal Reserve also initially proposed to revise the FR 2052b reporting panel by modifying the firms that are required to respond and the applicable threshold, and eliminating monthly reporting.

Initially Proposed Reporting Panel and Frequency of Submissions¹¹

The scope of application, frequency, submission dates, and timing of submission that were initially proposed are shown in the following table.

<i>Report Number</i>	<i>Reporter Description</i>	<i>Frequency</i>	<i>First As-of Date</i>	<i>First Submission Date</i> ¹²	<i>Timing of Submission</i>
FR 2052a	U.S. firms ¹³ with total consolidated assets \geq \$700 billion or with assets under custody of \geq \$10 trillion	Monthly	03/31/2015 ¹⁴	04/02/2015	T+2
		Daily	07/01/2015	07/03/2015	T+2
FR 2052a	U.S. firms with total consolidated assets $<$ \$700 billion and with assets under custody of $<$ \$10 trillion but, total consolidated assets \geq \$250 billion or	Monthly	07/31/2015 ¹⁵	08/02/2015	T+2
		Daily	07/01/2016	07/03/2016	T+2

¹¹ SLHCs not subject to the LCR would not have been subject to these reporting requirements. However, the initial proposal noted that through future rulemakings these institutions may be subject to some form of liquidity monitoring.

¹² For U.S. bank holidays and weekends, no positions would have been reported. For data that would have been reported by entities in international locations, if there were to be a local bank holiday, those entities would have submitted data using the data from the previous business day.

¹³ U.S. firms would have included nonbank financial companies that the Financial Stability Oversight Council has determined under section 113 of the Dodd-Frank (12 U.S.C. § 5323) shall be supervised by the Federal Reserve and for which such determination is still in effect, where the Federal Reserve has applied the requirements of the liquidity coverage ratio to such company by rule or order.

¹⁴ These firms would have complied with the transitions set forth in the LCR Rule, which requires an LCR calculation monthly starting in January 2015. However, these firms would not have needed to report on the FR 2052a until this reporting as-of date.

¹⁵ These firms would have complied with the transitions set forth in the LCR Rule, which requires an LCR calculation monthly starting in January 2015. However, these firms would not have needed to report on the FR 2052a until this reporting as-of date.

	foreign exposure \geq \$10 billion				
FR 2052a ¹⁶	U.S. firms with total consolidated assets \geq \$50 billion but, total consolidated assets $<$ \$250 billion and foreign exposure $<$ \$10 billion	Monthly	01/31/2016	02/02/2016	T+2
FR 2052a	FBOs with U.S. assets \geq \$50 billion and U.S. broker-dealer assets \geq \$100 billion	Monthly	03/31/2015	04/02/2015	T+2
		Daily	07/01/2015	07/03/2015	T+2
FR 2052a	FBOs with U.S. assets \geq \$50 billion and U.S. broker-dealer assets $<$ \$100 billion	Monthly	01/31/2016	02/02/2016	T+2
		Monthly ¹⁷	07/31/2016	08/02/2016	T+2
FR 2052b ¹⁸	U.S. BHCs (not controlled by FBOs) with total consolidated assets of between \$10 billion and \$50 billion	Quarterly	12/31/2014	01/15/2015	T+15

For purposes of the FR 2052 reports, a U.S. firm is a top-tier bank holding company, as that term is defined in section 2(a) of the Bank Holding Company Act (12 U.S.C. § 1841(a)) and section 225.2(c) of the Federal Reserve’s Regulation Y (12 C.F.R. 225.2(c)), organized under the laws of the United States and excludes any bank holding company that is a subsidiary of a foreign banking organization. For the purposes of the FR 2052 reports, foreign banking organization has the same meaning as in section 211.21(o) of the Federal Reserve’s Regulation K (12 C.F.R. 211.21(o)) and includes any U.S. bank holding company that is a subsidiary of an FBO. The FR 2052b report only applies to U.S. BHCs with total consolidated assets of between \$10 billion and \$50 billion that are not controlled by FBOs.

¹⁶ The frequency of the FR 2052a monthly report could have been temporarily adjusted to daily on a case-by-case basis as market conditions and supervisory needs changed to carry out effective continuous liquidity monitoring. The Federal Reserve anticipated frequency adjustments to be a rare occurrence.

¹⁷ These FBOs would have been required to have the ability to report on each business day. If the FBO were consolidating a U.S. firm that would independently have to report daily, then the FBO would have had to report daily. The Federal Reserve would have tested these FBOs for their ability to report daily.

¹⁸ FR 2052b reporting requirements would not have changed for U.S. BHCs (not controlled by FBOs) with total consolidated assets of between \$10 billion and \$50 billion, so the frequency and as-of date would have been the same as it had been.

Reporting Panel and Frequency of Submissions¹⁹

The Federal Reserve has modified the scope of application, frequency, submission dates, and timing of submission as shown in the following table in response to public comments.

<i>Report Number</i>	<i>Reporter Description</i>	<i>Frequency</i>	<i>First As-of Date</i>	<i>First Submission Date</i> ²⁰	<i>Timing of Submission</i>
FR 2052a	<ul style="list-style-type: none"> U.S. firms with total consolidated assets \geq \$700 billion or with \geq \$10 trillion in assets under custody, and FBOs identified as LISCC firms 	Daily	12/14/2015 ²¹	12/16/2015	T+2
FR 2052a	<ul style="list-style-type: none"> U.S. firms with total consolidated assets $<$ \$700 billion and with $<$ \$10 trillion in assets under custody, but total consolidated assets \geq \$250 billion or foreign exposure \geq \$10 billion, and FBOs that are not identified as LISCC firms, but with U.S. assets \geq \$250 billion 	Monthly	01/31/2017 ²²	02/15/2017	T+15
		Monthly ²³	07/31/2017	08/02/2017	T+2
FR 2052a	<ul style="list-style-type: none"> U.S. firms with total consolidated assets \geq \$50 billion, but total consolidated assets $<$ \$250 billion and foreign exposure $<$ \$10 billion, and FBOs that are not identified as LISCC firms and with U.S. assets 	Monthly	07/31/2017	08/15/2017	T+15
		Monthly ²⁴	01/31/2018	02/10/2018	T+10

¹⁹ SLHCs that are not subject to the LCR are not subject to these reporting requirements; however, through future rulemakings these institutions may be required to participate in some form of liquidity monitoring. Nonbank financial companies designated for Federal Reserve supervision by FSOC under section 113 of the Dodd-Frank Act (12 U.S.C. § 5323), to which the Federal Reserve has applied the requirements of the liquidity coverage ratio by rule or order are not subject to these reporting requirements unless included in the rule or order.

²⁰ For U.S. bank holidays and weekends, no positions should be reported. For data reported by entities in international locations, if there is a local bank holiday, submit data for those entities using the data from the previous business day.

²¹ These firms must comply with the transitions set forth in the LCR Rule. However, these firms do not need to report on the FR 2052a until this reporting as-of date.

²² These firms must comply with the transitions set forth in the LCR Rule, which requires an LCR calculation monthly starting in January 2015. However, these firms do not need to report on the FR 2052a until this reporting as-of date.

²³ Consistent with current supervisory authority and processes, during periods of stress the Federal Reserve may temporarily request the FR 2052a liquidity data on a more frequent basis.

²⁴ Consistent with current supervisory authority and processes, during periods of stress the Federal Reserve may temporarily request the FR 2052a liquidity data on a more frequent basis.

	< \$250 billion, but U.S. assets ≥ \$50 billion				
FR 2052b ²⁵	<ul style="list-style-type: none"> U.S. BHCs (not controlled by FBOs) with total consolidated assets of between \$10 billion and \$50 billion 	Quarterly	12/31/2015	01/15/2016	T+15

Detailed Discussion of Public Comment and Recommended Response

Scope of Application

The Federal Reserve has modified the scope of application for the FR 2052a from the proposal, which is set forth in the charts above. These changes will not add additional burden on any firm based on the proposed scope of application, and in some cases the changes may result in less burden. Regarding the changes, the Federal Reserve will accord U.S. firms and FBOs of similar size the same treatment because similarly situated firms should be treated in a similar manner. Second, the Federal Reserve will implement three categories of treatment for both U.S. firms and FBOs, according to the asset size of the firm and whether it has been identified as a LISCC firm.²⁶ Firms in the first category, U.S. firms with total consolidated assets of \$700 billion or more or with assets under custody of \$10 trillion or more, and FBOs identified as LISCC firms, will be required to submit the FR 2052a daily. Firms in the second category will be U.S. firms with total consolidated assets less than \$700 billion and assets under custody less than \$10 trillion, but total consolidated assets greater than or equal to \$250 billion or foreign exposure greater than or equal to \$10 billion, and FBOs with U.S. assets greater than or equal to \$250 billion that have not been identified as LISCC firms. Firms in the second category will be required to submit the FR 2052a monthly. Firms in the third category will be U.S. firms with total consolidated assets less than \$250 billion and foreign exposure less than \$10 billion, but total consolidated assets greater than or equal to \$50 billion, and FBOs with U.S. assets greater than or equal to \$50 billion but less than \$250 billion that are not identified as LISCC firms. Firms in the third category will be required to submit the FR 2052a monthly and will be granted additional time to submit the report.

As discussed further below, nonbank financial companies designated by the Financial Stability Oversight Council (FSOC) are not included in the reporting panel for the FR 2052a.

Firms whose asset sizes or identification as a LISCC firm causes them to cross the threshold from the third category to the second category, or from the second category to the first category, will be required to meet the applicable reporting requirements of the new category within three months of crossing the threshold. A firm whose asset size causes it to cross the

²⁵ The FR 2052b will not change for U.S. BHCs (not controlled by FBOs) with total consolidated assets of between \$10 billion and \$50 billion, so the frequency and as-of date would be the same as it is currently.

²⁶ A list of the LISCC firms can be found at <http://www.federalreserve.gov/bankinforeg/large-institution-supervision.htm>.

threshold to the third category will have to meet the applicable reporting requirements within one year of crossing the threshold.

In addition to these changes, the Federal Reserve will consider future enhancements to the thresholds that define the applicability of the reporting requirements that are more sensitive to liquidity risk. Any future enhancements would be proposed and subject to comment, and if finalized, firms whose reporting requirements change based on those enhancements would be provided sufficient time to comply.

Transition Period

Some commenters raised concerns about whether the proposed implementation schedule would allow sufficient time to implement reporting requirements. One commenter noted that banking organizations with less than \$700 billion in assets and firms subject to the modified LCR methodology by the LCR rule should not be required to report monthly on the FR 2052a before July 1, 2016. According to the commenter, the proposed timeline would divert resources from efforts to ensure daily LCR compliance by July 1, 2016, and potentially put those efforts at risk. This commenter asserted that monthly reporting on the FR 2052a cannot be equated to the monthly LCR calculations starting in July 2015 because the FR 2052a is much more granular than is necessary to compute the LCR and suggested that because FR 2052a reporting is more akin to the daily LCR calculation, it should be on the same timeline. The commenter also noted that for the same reasons and due to their smaller size, firms subject to the modified LCR methodology should not be required to submit reports until July 2016.

Other commenters noted that banks that were not required to report on the prior versions of the FR 2052a report should be provided more time to comply and suggested that these organizations not be required to comply with FR 2052a reporting until July 2016, January 2017, or July 2017, to allow sufficient time to enhance IT and other systems. A commenter pointed out that even if an extension was provided, these firms could continue to report on the FR 2052b in the interim.

Similarly, one FBO commenter noted that implementing the proposed FR 2052a with its more granular and expanded data requirements would require considerable resources and operational effort to comply by February 2, 2016 for certain entities that were not required to report on the prior versions of the FR 2052a report. The commenter noted that G-SIBs were given a two-year lead time prior to the implementation of the FR 2052a reporting requirements and it would be appropriate for current FR 2052b filers and new FR 2052a filers to receive similar lead time.

One commenter noted that the implementation schedule for FBOs with U.S. assets of \$50 billion or greater and U.S. broker-dealer assets of less than \$100 billion is unrealistic. The commenter noted that reporting challenges are magnified for FBOs that have not previously had the experience of filing the FR 2052a or FR 2052b. The commenter further noted that many of these firms are working to come into compliance with the Federal Reserve Board's intermediate holding company (IHC) requirement by July 2016. The commenter suggested that new FBO filers start with the FR 2052b report before moving to the FR 2052a report, with implementation

dates of July 2016 for the FR 2052b and July 2017 for the FR 2052a. The commenter also noted that the LCR Rule does not apply to many of these firms and that for FR 2052b FBO filers, no further requirement should be applied until the IHC requirements are clarified and there is an LCR rule in place for FBOs.

Another commenter requested that firms forming IHCs have a reasonable transition time for reporting on a consolidated basis and legal entity basis and that entities required to consolidate pursuant to the IHC requirement, effective July 2016, should not be required to report on the FR 2052a beforehand.

Based on comments and analysis of the transitions and effective dates, the Federal Reserve has extended the effective dates for firms to provide more time for them to complete the necessary system builds. The table above sets forth the revised transitions and effective dates for the FR 2052a. The effective date for the FR 2052b remains unchanged, which is also set forth in the table above. Further, for the FR 2052a filers, the Federal Reserve will require monthly submissions for all firms that are not U.S. firms with total consolidated assets of \$700 billion or more or with assets under custody of \$10 trillion or more, and FBOs identified as LISCC firms. For firms that submit monthly reports, consistent with current supervisory authority and processes, during periods of stress the Federal Reserve may temporarily request the FR 2052a liquidity data to be filed on a more frequent basis.

In addition, for U.S. firms with total consolidated assets of \$700 billion or more or with assets under custody of \$10 trillion or more, and FBOs identified as LISCC firms, the Federal Reserve will collect data as of November 30, 2015 with a request for submission on December 2, 2015. Responses to this one-time information collection are voluntary.

Timing of data submission

The Federal Reserve received several comments related to the amount of time needed to prepare reports for submission. Most commenters disagreed with the proposal's requirement that reporting forms be submitted within two days of the as-of date. One commenter noted that the two-day lag does not provide enough time for quality assurance necessary for a regulatory report. In addition, some commenters expressed concern that the two-day lag is practically only 1.5 days because the proposed submission time is noon. One commenter specifically requested that advanced approaches firms with \$700 billion or more in assets be given a full two-day reporting window.

Other commenters stated that 15 days is an appropriate time period for firms that would have been required to report monthly and for firms that are currently reporting on the FR 2052b. One commenter suggested a five-day lag for regional banks subject to the full LCR. Another commenter offered that advanced approaches firms with less than \$700 billion in assets and new FBO filers should have five days to submit the reports.

As illustrated in the table above, the Federal Reserve will implement the following transition periods for the timing of the data submission. All firms subject to FR 2052a reporting requirements, except for U.S. firms with total consolidated assets of \$700 billion or more or with

assets under custody of \$10 trillion or more, and FBOs identified as LISCC firms, will have a T+15 submission requirement at their first effective date. Subsequently, the timing of the submission will be reduced until it reaches the final timing of submission requirement. Because of the importance of timely liquidity data for the largest firms, the final timing of submission will remain T+2 days. However, for U.S. firms with total consolidated assets of \$50 billion or more, but less than \$250 billion and foreign exposure of less than \$10 billion, and FBOs with U.S. assets of \$50 billion or more and less than \$250 billion that are not identified as LISCC firms, the final timing of submission requirement will be T+10 days due to these firms' smaller contributions to systemic risk. Additionally, for all FR 2052a filers, as set forth in the instructions, the Federal Reserve will change the submission time on the submission date to 3:00pm ET, which will provide firms additional time to prepare the data submissions. The T+15 timing of submission requirement for the FR 2052b will remain unchanged.

Tailoring

One commenter noted that less complex financial institutions that are not internationally active should not be held to the same reporting standards as larger and much more complex financial institutions. Financial institutions that are less complex do not present significant risk to the financial system. Another commenter noted that the FR 2052a is not tailored to take into account the risk profile of the reporting firms. A few commenters disagreed with the requirement to provide specific maturity data for five years. These commenters argued that the data would not provide beneficial supervisory information. One of these commenters suggested that only payments within one year should be reported.

One commenter noted that disaggregating principal and interest payments would be burdensome to respondents and unhelpful for the Federal Reserve because this approach would not consider balance sheet growth or other behavioral assumptions. Two commenters commented on derivatives reporting. One noted that the granular derivatives details required by the proposal are not necessary for calculating the LCR, and implementing it for regional banks would be burdensome and unhelpful to the Federal Reserve. The other commenter noted that the granularity of derivative reporting for advanced approaches banking organizations with less than \$700 billion in assets and modified LCR banking organizations should align with the LCR. The commenter asserted that the proposed requirement to segregate information about payables and receivables and provide the margin information in more granular detail than required by the LCR would impose tremendous burden on the collateral tracking systems of firms.

Another commenter stated that data elements related to broker-dealers are immaterial to regional banks and these banks should not be required to report them. The commenter stated that collecting that data would not be helpful to the Federal Reserve and would impose a burden on the banks.

The Federal Reserve received two comments on reporting by currency. One commenter stated that reporting by major currency for regional banks that are subject to the full LCR is unnecessary because their foreign activities are limited (more akin to firms subject to the modified LCR) and the LCR Rule does not require it. The commenter stated that because current systems only record in USD, additional implementation burden would be imposed.

Alternatively, the commenter suggested establishing a threshold for reporting by major currency other than USD only if the percent of foreign currency liabilities to total liabilities exceeded, for example, 5 percent. Another commenter suggested that the FR 2052a should incorporate thresholds for reporting by major currency that align with the Basel Committee on Banking Supervision's LCR standard's definition of "significant currency," which is when the aggregated liabilities in that currency exceed 5 percent of total liabilities. The commenter explained that if this suggestion is followed, a firm should be required to meet the threshold for four quarters before being considered a significant currency to prevent a currency from toggling between significant and not significant.

The Federal Reserve notes that the FR 2052a was not designed solely for monitoring compliance with the LCR; rather, it is a supervisory liquidity report that also allows for monitoring compliance with the LCR. In the context of that supervisory purpose and based on an analysis of the reporting firms, the FR 2052a will be better tailored to the size and complexity of the firms. First, and as mentioned above, the timing of the data submission will be extended to T+10 days for the smaller firms subject to FR 2052a reporting requirements. In addition, the FR 2052a will be revised to have tailored data elements. The granularity of maturity data will be modified for firms subject to the FR 2052a that are not U.S. firms with total consolidated assets of \$700 billion or more or with assets under custody of \$10 trillion or more or FBOs identified as LISCC firms, with only the residual value of products reported beyond one year. The residual value data will be required because it is necessary to have sufficient information on the liquidity profile of the firm. For the smaller firms subject to the FR 2052a, certain products, such as unencumbered assets, inflows from traditional loans, and interest and dividends payable, will be reported according to Appendix IV-b of the instructions. Consistent with the instructions, these firms will be permitted to report these particular products with less granularity, even within one year.

The Federal Reserve views as inappropriate the elimination of reporting requirements related to broker-dealer activities for an entire segment of firms; however, where appropriate, certain products are tailored, as detailed in the instructions. For example, for derivatives collateral reporting, firms that do not meet a certain threshold may use a default sub-product. Additionally, the product for reporting interest payments may be ignored for amortizing products if the interest is aggregated with principal and reported in the product for principal amounts. Also, certain products which implicate inflows that are not part of the LCR calculation may be optionally ignored, such as sleeper collateral receivables and derivative collateral substitution capacity. There are also certain products that are specific to services provided by broker-dealers, so the FR 2052a will not require those specific products to be reported unless the firm has a significant broker-dealer.

Lastly, firms subject to FR 2052a requirements that historically have less foreign currency exposure will only have to report in USD and will not have to report data required by the F/X table. Thus, U.S. firms with total consolidated assets of less than \$700 billion and with assets under custody of less than \$10 trillion, but total consolidated assets of \$50 billion or more and FBOs with U.S. assets of less than \$250 billion, but U.S. assets of \$50 billion or more that are not identified as LISCC firms may report solely in USD and will not have to report data required by the F/X table. All other firms subject to FR 2052a requirements will report in the

major currencies listed in the instructions and report data required by the F/X table. The FR 2052b will continue to be reported solely in USD.

Modified LCR

The Federal Reserve received the following comments specific to reporting by institutions subject to the modified LCR (1) the proposed FR 2052a report materially expands the required time period bucketing to include 60 days of daily contractual cash flows and four periods of weekly contractual cash flows requiring fundamental changes to data, systems, and processes that have already been developed to support the FR 2052a and LCR calculations that extract data based on monthly cash flows; (2) the 60-day daily period maturity buckets go beyond the 30-day period that is necessary to compute the LCR and daily time bucket should only be 30 days for firms subject to the full LCR and should not exist for firms subject to the modified LCR; (3) maturity buckets for firms subject to the modified LCR should have no more granularity than monthly, which is what is needed for the LCR; (4) daily maturity buckets for days 31-60 should be phased in over time because systems have already been developed for the LCR's 30-day window; (5) the FR 2052a does not align with the modified LCR, requiring a parent-only report whereas a consolidated figure is required for the LCR; (6) firms subject to the modified LCR should be required to report only on the FR 2052b or an amended FR 2052b or the FR 2052a should be tailored to regional banks; and (7) required reporting for entities should be consistent with the requirements of the final LCR rule for modified LCR BHCs, i.e., global consolidated entity only, since modifying systems to include other reporting levels pose a significant operational task because systems and processes were built to support the calculation at the global consolidated entity.

In response to the comments on the reporting requirements for firms subject to the modified LCR, as mentioned above, the Federal Reserve notes that the FR 2052a was not designed solely for monitoring compliance with the LCR; rather, it is a supervisory liquidity report that also allows for monitoring compliance with the LCR. For that reason, there are products and maturity buckets beyond what is necessary for an LCR calculation. All of the products and maturity buckets are required to appropriately monitor liquidity risk within a firm subject to the FR 2052a reporting requirement. For example, to understand a firm's liquidity risk profile, it is necessary to have information beyond the LCR's 30-day time horizon and on a parent-only basis, in addition to the consolidated holding company. However, as described above, for the smaller firms subject to the FR 2052a, the Federal Reserve will allow less granular maturity bucketing for certain products where receiving less maturity information is appropriate, such as unencumbered assets, inflows from traditional loans, and interest and dividends. Furthermore, as noted above, the Federal Reserve will extend the transitions and effective dates to provide sufficient time for system enhancements to meet the increased data requirements.

Nonbank financial companies

One commenter noted that nonbank financial companies designated by FSOC for supervision by the Board are implicated as covered in the FR 2052a update notice. The commenter requested that these companies have an opportunity to comment on the FR 2052a after being designated but before imposition of the LCR requirement and filing on the FR 2052a.

Non-bank financial companies designated by FSOC for supervision by the Federal Reserve will not be automatically subject to FR 2052a reporting requirements based on being subject to the LCR. Because these companies may become subject to the LCR by rule or order, the Federal Reserve believes it is appropriate to subject them to supervisory reporting requirements also by rule or order to ensure that such requirements are appropriate for the specific nonbank financial company.

Availability of Template or Mapping Document

The Federal Reserve proposed to require the data in XML format. Two commenters requested that the Federal Reserve make available an Excel template to facilitate internal review of the data submission.

In addition, the Federal Reserve requested comment on whether it should publish a description of how the FR 2052a data will be used to monitor LCR compliance. Several commenters agreed that the Federal Reserve should publish a description and specifically requested that the Federal Reserve should provide a reporting template that would illustrate how to calculate the reporting entity's LCR.

In response to comments, the Federal Reserve has revised the FR 2052a instructions to include an appendix that maps the provisions of the LCR to the unique data identifiers that can be used to calculate an LCR. The Federal Reserve will not provide an Excel or other template, as firms subject to FR 2052a reporting requirements may, based on the description of data tables in the instructions and the appendix describing an LCR calculation, develop their own MIS to analyze FR 2052a data. This mapping document is not a part of the LCR rule or a component of the FR 2052a report. Firms may use this mapping document solely at their discretion.

Other Changes

One commenter provided an appendix describing certain technical issues with the calculation of the LCR using FR 2052a data. The Federal Reserve has resolved these issues through the appendix to the instructions that describes an LCR calculation by mapping the LCR provisions to the FR 2052a data. Another commenter noted that "material legal entity" should be defined more clearly, as entities falling under the definition would be an additional reporting entity. The Federal Reserve revised the instructions to provide additional information about what constitutes a material entity. In addition, the Federal Reserve will implement a supervisory process to determine which entities are deemed material. As described in the instructions, the Federal Reserve will consider characteristics of the entity, such as size, complexity, business activities, and overall risk profile.

Another commenter noted that collateral value and collateral class fields should be better explained, in particular with respect to non-investment securities collateral, cross collateralization, and when collateral is all business assets. The Federal Reserve finalized as initially proposed because Appendix III to the instructions includes all collateral classes that are relevant for this report.

The proposal would have required firms submitting the FR 2052a report to retain data for six months. The Federal Reserve will require firms to retain that data for one year after it is submitted because the Federal Reserve believes that one year is an appropriate amount of data in the event a firm needs to review previously submitted data.

Estimate of Respondent Burden

The current total annual burden for the FR 2052a and FR 2052b reports is estimated to be 460,480 hours. The Federal Reserve estimates that, with the proposed revisions, the total annual burden would initially reflect a decrease in 2015, increasing in 2016, 2017, and 2018, as shown in the tables below. The changes in the estimated annual burden are primarily due to a shift in respondents from the FR 2052b monthly reporting panel to the FR 2052a monthly and daily reporting panel and the increased data item granularity of the FR 2052a report. The current total burden for the FR 2052a and FR 2052b represents 3.5 percent of total Federal Reserve System annual burden. The proposed 2016 revisions would represent 5.1 percent of total Federal Reserve System and for 2017 and 2018 it would change to 5.5 percent of total Federal Reserve System burden.

Current FR 2052a and FR 2052b	<i>Number of respondents</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
FR 2052a				
Ongoing:				
BHCs (G-SIBs) ²⁷	8	251	200	401,600
FBOs (complete)	8	1	200	1,600
FBOs (abbreviated)	8	24	60	11,520
Ad-Hoc ²⁸	16	10	100	<u>16,000</u>
FR 2052a Total				430,720
FR 2052b				
Ongoing:				
BHCs (excluding G-SIBs, >\$50 billion, including FBO subsidiaries)	24	12	60	17,280
BHCs (>\$10 & <\$50 billion, not controlled by FBOs)	52	4	60	<u>12,480</u>
FR 2052b Total				29,760
Current Total burden hours				460,480

²⁷ A list of G-SIBs is available at http://www.financialstabilityboard.org/publications/r_131111.pdf.

²⁸ The FR 2052a Ad-Hoc surveys were discontinued as of October 30, 2015.

Proposed FR 2052a for 2015	<i>Number of respondents</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
One-time Implementation	12	1	400	4,800
One-time Voluntary Submission: U.S. firms with total consolidated assets \geq \$700 billion or with \geq \$10 trillion in assets under custody ²⁹ and FBOs identified as LISCC firms	12	1	220	2,640
Daily: U.S. firms with total consolidated assets \geq \$700 billion or with \geq \$10 trillion in assets under custody and FBOs identified as LISCC firms	12	13	220	<u>34,320</u>
<i>FR 2052a Total for 2015</i>				41,760

Proposed FR 2052a for 2016	<i>Number of respondents</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Daily: U.S. firms with total consolidated assets \geq \$700 billion or with \geq \$10 trillion in assets under custody and FBOs identified as LISCC firms	12	251	220	662,640
<i>FR 2052a Total for 2016</i>				662,640

²⁹ “Assets under custody” is defined in the Banking Organization Systemic Risk Report (FR Y-15) (OMB No. 7100-0352) reporting instructions.

Proposed FR 2052a for 2017	<i>Number of respondents</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
One-time Implementation	36	1	400	14,400
Monthly:				
U.S. firms with total consolidated assets \geq \$50 billion but total consolidated assets $<$ \$250 billion and foreign exposure $<$ \$10 billion and FBOs with U.S. assets \geq \$50 billion but U.S. assets $<$ \$250 billion that are not identified as LISCC firms	27	6	120	19,440
U.S. firms with total consolidated assets \geq \$250 billion or foreign exposure $>$ \$10 billion but total consolidated assets $<$ \$700 billion and with $<$ \$10 trillion in assets under custody and FBOs with U.S. assets \geq \$250 billion that are not identified as LISCC firms	9	12	120	12,960
Daily:				
U.S. firms with total consolidated assets \geq \$700 billion or with \geq \$10 trillion in assets under custody and FBOs identified as LISCC firms	12	251	220	662,640
<i>FR 2052a Total for 2017</i>				709,440

Proposed FR 2052a for 2018 and ongoing	<i>Number of respondents</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
<i>Monthly:</i>				
U.S. firms with total consolidated assets \geq \$50 billion but total consolidated assets $<$ \$250 billion and foreign exposure $<$ \$10 billion and FBOs with U.S. assets \geq \$50 billion but U.S. assets $<$ \$250 billion that are not identified as LISCC firms	27	12	120	38,880
U.S. firms with total consolidated assets \geq \$250 billion or foreign exposure $>$ \$10 billion but total consolidated assets $<$ \$700 billion and with $<$ \$10 trillion in assets under custody and FBOs with U.S. assets \geq \$250 billion that are not identified as LISCC firms	9	12	120	12,960
<i>Daily:</i>				
U.S. firms with total consolidated assets \geq \$700 billion or with \geq \$10 trillion in assets under custody and FBOs identified as LISCC firms.	12	251	220	662,640
<i>FR 2052a Total for 2018 and ongoing</i>				714,480

Proposed FR 2052b	<i>Number of respondents</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
BHCs (>\$10 & <\$50 billion, not controlled by FBOs)	52	4	60	12,480
<i>FR 2052b Total</i>				12,480

Proposed FR 2052a and FR 2052b:		
2015 - Proposed Total burden hours		54,240
	<i>Change</i>	-406,240
2016 - Proposed Total burden hours		675,120
	<i>Change</i>	620,880
2017 - Proposed Total burden hours		721,920
	<i>Change</i>	46,800
2018 - Proposed Total burden hours		726,960
	<i>Change</i>	<u>5,040</u>
	<i>Net Change</i>	266,480

The current cost to the public is estimated be \$23,829,840.³⁰ For 2016 the cost to the public is estimated to rise to \$34,937,460, for 2017 the cost to the public is estimated to rise to \$37,359,360, and for 2018 the cost to the public is estimated to rise to \$37,620,180.

Sensitive Questions

This collection of information contains no questions of a sensitive nature, as defined by OMB guidelines.

Estimate of Cost to the Federal Reserve System

The estimated costs to the Federal Reserve System associated with this information collection are minimal.

³⁰ Total cost to the public was estimated using the following formula: percent of staff time, multiplied by annual burden hours, multiplied by hourly rates (30% Office & Administrative Support at \$17, 45% Financial Managers at \$63, 15% Lawyers at \$64, and 10% Chief Executives at \$87). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), *Occupational Employment and Wages May 2014*, published March 25, 2015, www.bls.gov/news.release/ocwage.nr0.htm. Occupations are defined using the BLS Occupational Classification System, www.bls.gov/soc/.