

**Supporting Statement for the  
Structure Reporting Requirements for Domestic and Foreign Banking Organizations  
(FR Y-6, FR Y-7, FR Y-10, and FR Y-10E; OMB No. 7100-0297)**

*Prudential Standards for Large Bank Holding Companies,  
Savings and Loan Holding Companies, and Foreign Banking Organizations  
(Docket No. R-1658; RIN 7100-AF45)*

**Summary**

The Board of Governors of the Federal Reserve System (Board), under authority delegated by the Office of Management and Budget (OMB), has extended for three years, with revision, the Structure Reporting Requirements for Domestic and Foreign Banking Organizations (OMB No. 7100-0297). This information collection comprises the following four reports:

- Annual Report of Holding Companies (FR Y-6), which collects financial and organizational information from holding companies (HCs) and foreign banking organizations (FBOs) that are non-qualifying,
- Annual Report of Foreign Banking Organizations (FR Y-7), which collects financial and organizational information from qualifying FBOs,
- Report of Changes in Organizational Structure (FR Y-10), which is an event-generated report that captures changes in organizational structure or the regulated investments and activities of various entities, and
- Supplement to the Report of Changes in Organizational Structure (FR Y-10E)<sup>1</sup>, which is a formless supplement to the FR Y-10 that the Board may use to collect additional structural information on an emergency basis.

The Board adopted a final rule that establishes risk-based categories for determining prudential standards for large U.S. banking organizations and foreign banking organizations, consistent with section 165 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank), as amended by the Economic Growth, Regulatory Relief, and Consumer Protection Act (EGRRCPA), and with the Home Owners' Loan Act (HOLA). The final rule amends certain prudential standards, including standards relating to liquidity, risk management, stress testing, and single-counterparty credit limits, to reflect the risk profile of banking organizations under each category; applies prudential standards to certain large savings and loan holding companies (SLHCs) using the same categories; makes corresponding changes to reporting forms; and makes additional modifications to the Board's companyrun stress test and supervisory stress test rules, consistent with section 401 of EGRRCPA. The final rule is effective

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<sup>1</sup> Certain criteria apply to information collections conducted via the Board's ad hoc clearance process. Such information collections shall (1) be vetted by the Board's clearance officer as well as the Division director responsible for the information collection, (2) display the OMB control number and respondents shall be informed that the information collection has been approved, (3) be used only in such cases where response is voluntary, (4) not be used to substantially inform regulatory actions or policy decisions, (5) be conducted only and exactly as described in the OMB submission, (6) involve only noncontroversial subject matter that will not raise concerns for other Federal agencies, (7) include information collection instruments that are each conducted only one time, (8) include a detailed justification of the effective and efficient statistical survey methodology (if applicable), and (9) collect personally identifiable information (PII) only to the extent necessary (if collecting PII, the form must display current privacy act notice).

December 31, 2019. The Board revised item 5 on the FR Y-7, Regulation YY Compliance for the FBO, to align the reporting form with the applicability thresholds set forth in the final rule and other regulatory changes that are consistent with the Board's July 2018 statement concerning EGRRCPA. The first as-of date for the amended FR Y-7 is the next report after the effective date of the final rule. There are no changes to the FR Y-6, FR Y-10, or FR Y-10E.

The current estimated total annual burden for the structure reports is 69,127 hours, and would decrease to 68,743 hours. The proposed revisions would result in a decrease of 384 hours. The forms and instructions for the FR Y-6, FR Y-7, and FR Y-10 are available on the Board's public website at <https://www.federalreserve.gov/apps/reportforms/default.aspx>. There is no formal reporting form for the FR Y-10E (the FR designation is for internal purposes only).

## **Background and Justification**

The Board has collected organizational structure reports in some form since the implementation of the Bank Holding Company Act of 1956 (BHC Act). The information collected through the FR Y-6, FR Y-7, FR Y-10, and FR Y-10E reports is not available from other sources.

The Board uses the FR Y-6 to collect financial and structural information from top-tier HCs to monitor that HC operations are conducted in a safe and sound manner and to assess compliance with the BHC Act, Change in Bank Control Act, HOLA, and the Board's Regulation Y - Bank Holding Companies and Change in Bank Control (12 CFR 225), Regulation LL - Savings and Loan Holding Companies (12 CFR 238), and Regulation YY - Enhanced Prudential Standards (12 CFR 252). Information about the principal owners and directors of an HC is of supervisory importance because these individuals can have a significant effect on the policies and condition of banking organizations. Data on outside business interests of directors and officers aid in identifying chain-banking organizations by indicating when an individual owns 25 percent or more of each of two or more banking organizations. Information on the outside business interests of insiders is useful to identify situations that involve a conflict of interest or preferential treatment in granting credit. In addition, the FR Y-6 serves as a source of HC structure information for the public. The FR Y-6 data are available to other federal financial supervisory agencies for use in their supervision of national and state nonmember banks.

The Board uses the FR Y-7 to collect financial and structural information from FBOs to assess each FBO's ability to be a continuing source of strength to its U.S. operations. In addition, the Board uses the information to assess eligibility of qualifying FBOs and compliance with U.S. laws and regulations.

The Board uses the information collected on the FR Y-10 to monitor that the activities of reporting financial institutions are conducted in a safe and sound manner and to assess compliance with applicable laws and regulations, including the BHC Act, Gramm-Leach-Bliley Act, Federal Reserve Act (FRA), HOLA, and the Board's Regulation Y, Regulation K - International Banking Operations (12 CFR 211), Regulation LL, and Regulation YY.

The Board uses the FR Y-10E when there is an immediate need for critical organizational information to facilitate collection of the information at the earliest practicable date. The Board uses these supplemental requests to meet time-sensitive legislative requirements, answer Congressional inquiries, or respond to critical market events that otherwise could not be addressed in a sufficiently timely manner.

### **Description of Information Collection**

The FR Y-6 is filed by all top-tier HCs. The report collects an organizational chart and annual verification of domestic branches within the organization and includes information on the identity, percentage ownership, and business interests of principal shareholders, directors, and executive officers. The FR Y-6 can be filed via a paper or electronic (Portable Document Format) submission to the appropriate Federal Reserve Bank.

The FR Y-7 is an annual report by FBOs that have a U.S. banking presence. The report collects financial statements, organizational information, shares and shareholder information, and data on the eligibility to be a qualified FBO as defined by the Board's Regulation K. The FR Y-7 can be filed via a paper submission mailed to the appropriate Federal Reserve Bank.

The FR Y-10 is an event-generated information collection that captures changes in organizational structure or the regulated investments and activities of various entities. The FR Y-10 can be filed electronically or via a paper, email, or fax submission to the appropriate Federal Reserve Bank.

The FR Y-10E is a formless supplement to the FR Y-10 that the Board uses to collect additional structural information as needed on an emergency basis. Submission methods vary depending on the nature and time-sensitivity of the data requests.

### **Respondent Panel**

The FR Y-6 panel comprises bank holding companies, SLHCs, employee share ownership plans/trusts, securities holding companies, intermediate holding companies (IHCs), and FBOs that are non-qualifying. In 2012 and 2016, the Board expanded the FR Y-6 reporting panel to include SLHCs and IHCs respectively. The FR Y-7 panel comprises all qualifying FBOs that engage in banking in the U.S., either directly or indirectly. The FR Y-10 and FR Y-10E panel comprises top-tier HCs; FBOs; state member banks that are not controlled by a HC; Edge and agreement corporations that are not controlled by a member bank, a domestic HC, or an FBO; and nationally chartered banks that are not controlled by a HC (with regard to their foreign investments only).

### **Adopted Revisions**

The Board adopted a final rule that establishes risk-based categories for determining prudential standards for large U.S. banking organizations and foreign banking organizations, consistent with section 165 of the Dodd-Frank, as amended by the EGRRCPPA, and with the HOLA. The final rule amends certain prudential standards, including standards relating to

liquidity, risk management, stress testing, and single-counterparty credit limits, to reflect the risk profile of banking organizations under each category; applies prudential standards to certain large savings and loan holding companies using the same categories; makes corresponding changes to reporting forms; and makes additional modifications to the Board's companyrun stress test and supervisory stress test rules, consistent with section 401 of EGRRCPA. The final rule is effective December 31, 2019.

The Board revised item 5 on the FR Y-7, Regulation YY Compliance for the FBO, to align the reporting form with the applicability thresholds set forth in the final rule and other regulatory changes that are consistent with the Board's July 2018 statement concerning EGRRCPA.<sup>2</sup> Specifically, item 5(a) was amended to apply only to foreign savings and loan holding companies with more than \$250 billion in total consolidated assets, and assess compliance with the capital stress testing requirements under section 238.162 of the Board's Regulation LL, as revised under the final rule. Items 5(b) and 5(c) continue to assess compliance with the risk committee requirements in sections 252.132(a) and 252.144(a) of the Board's Regulation YY, respectively, but the descriptions for each item would be updated to conform to the asset size thresholds under the final rule. For item 5(b), the description eliminated language referring to foreign banking organizations that are publicly traded, as that distinction was eliminated under the final rule. Similarly, the Board revised items 5(d) and 5(e) to align the descriptions of the requirements with the asset size thresholds under the final rule. These items continue to assess compliance with the capital stress testing requirements in sections 252.146(b) and 252.158(b) of the Board's Regulation YY. The first as-of date for the amended FR Y-7 is the next report after the effective date of the final rule.

There are no changes to the FR Y-6, FR Y-10, or FR Y-10E.

### **Time Schedule for Information Collection**

Covered financial institutions submit the FR Y-6 annually, no later than 90 calendar days after the end of the respondent's fiscal year. Qualifying FBOs submit the FR Y-7 annually as of the end of the FBO's fiscal year, and the data are due no later than four months after the report date. The FR Y-10 is event-generated, and covered financial institutions submit the data within 30 calendar days of a reportable transaction or event. The FR Y-10E is event-generated, and the Board collects the data from covered financial institutions on an as-needed basis.

### **Public Availability of Data**

Limited structural data from the information collection are published on the National Information Center's public website at <https://www.ffiec.gov/nic/>. Unless granted confidential treatment, additional respondent data are available to the public upon request through the appropriate Reserve Bank.

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<sup>2</sup> See Board statement regarding the impact of the Economic Growth, Regulatory Relief, and Consumer Protection Act, July 6, 2018, available at <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20180706b.htm>.

## Legal Status

The following statutes authorize the Board to require the collections of information:

**FR Y-6:** Section 5(c) of the BHC Act (12 U.S.C. § 1844(c)); sections 8(a) and 13(a) of the International Banking Act of 1978 (IBA) (12 U.S.C. §§ 3106(a) and 3108(a)); sections 11(a)(1), 25, and 25A of the FRA (12 U.S.C. §§ 248(a)(1), 602, and 611a); sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)); and section 252.153(b)(2) of Regulation YY (12 CFR 252.153(b)(2)).

**FR Y-7:** Sections 8(a) and 13(a) of the IBA (12 U.S.C. §§ 3106(a) and 3108(a)) and sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)).

**FR Y-10 and FR Y-10E:** Sections 4(k) and 5(c)(1)(A) of the BHC Act (12 U.S.C. §§ 1843(k) and 1844(c)(1)(A)); section 8(a) of the IBA (12 U.S.C. 3106(a)); sections 11(a)(1), 25(7), and 25A of the FRA (12 U.S.C. §§ 248(a)(1), 321, 601, 602, 611a, 615, and 625); sections 113, 165, 312, 618, and 809 of the Dodd-Frank Act (12 U.S.C. §§ 5361, 5365, 5412, 1850a(c)(1), and 5468(b)(1)); and section 10(c)(2)(H) of the HOLA (12 U.S.C. § 1467a(c)(2)(H)).

The obligation to respond is mandatory.

The data collected in the FR Y-6, FR Y-7, FR Y-10, and FR Y-10E are generally not considered confidential. With regard to information that a banking organization may deem confidential, the institution may request confidential treatment of such information under one or more of the exemptions in the Freedom of Information Act (FOIA) (5 U.S.C. § 552). The most likely case for confidential treatment will be based on FOIA exemption 4, which permits an agency to exempt from disclosure “trade secrets and commercial or financial information obtained from a person and privileged and confidential” (5 U.S.C. § 552(b)(4)). To the extent an institution can establish the potential for substantial competitive harm, such information would be protected from disclosure under the standards set forth in *National Parks and Conservation Association v. Morton*, 498 F.2d 765 (D.C. Cir. 1974). In particular, the disclosure of the responses to the certification questions on the FR Y-7 may interfere with home country regulators’ administration, execution, and disclosure of their stress test regime and its results, and may cause substantial competitive harm to the FBO providing the information, and thus this information may be protected from disclosure under FOIA exemption 4. Exemption 6 of FOIA might apply with regard to the respondents’ submission of non-public personal information of owners, shareholders, directors, officers and employees of respondents. Exemption 6 covers “personnel and medical files and similar files the disclosure of which would constitute a clearly unwarranted invasion of personal privacy” (5 U.S.C. § 552(b)(6)). All requests for confidential treatment would need to be reviewed on a case-by-case basis and in response to a specific request for disclosure.

## Consultation Outside the Agency

There has been no consultation outside the Federal Reserve System.

## Public Comments

On November 29, 2018, the Board published a notice of proposed rulemaking for U.S. banking organizations in the *Federal Register* (83 FR 61408) for public comment. The comment period for this notice expired on January 22, 2019. On May 15, 2019, the Board published a notice of proposed rulemaking for foreign banking organizations in the *Federal Register* (84 FR 21988) for public comment. The comment period for this notice expired on June 21, 2019. The Board did not receive any specific comments related to the Paperwork Reduction Act (PRA) analysis. On November 1, 2019, the Board published a final rule in the *Federal Register* (84 FR 59032). The final rule is effective on December 31, 2019.

## Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the structure reports is 69,127 hours, and would decrease to 68,743 hours with the adopted revision. The Board estimates that revisions to the FR Y-7 would not impact the respondent count, but the estimated average hours per response would decrease from 6 hours to 4.5 hours. These reporting requirements represent less than 1 percent of the Board's total paperwork burden.

	<i>Estimated number of respondents<sup>3</sup></i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
<b>Current</b>				
FR Y-6	4,044	1	5.5	22,242
FR Y-7	256	1	6	1,536
FR Y-10	4,232	4.09 <sup>4</sup>	2.5	43,233
FR Y-10E	4,232	1	0.5	<u>2,116</u>
	<i>Current Total</i>			69,127
<b>Proposed</b>				
FR Y-6	4,044	1	5.5	22,242
FR Y-7	256	1	4.5	1,152
FR Y-10	4,232	4.09	2.5	43,233
FR Y-10E	4,232	1	0.5	<u>2,116</u>
	<i>Proposed Total</i>			68,743
	<i>Change</i>			( 384)

<sup>3</sup> Of these respondents, 3,060 for the FR Y-6; 39 for the FR Y-7; 3,101 for the FR Y-10; and 3,101 for the FR Y-10E are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$550 million in total assets), <https://www.sba.gov/document/support--table-size-standards>.

<sup>4</sup> In 2018, there were 17,293 FR Y-10's processed for the 4,232 reporting institutions. This yields an approximate annual frequency of 4.09.

The current estimated total annual cost to the public for the structure reports is \$3,981,715 and would decrease to \$3,959,597 with the adopted revisions.<sup>5</sup>

### **Sensitive Questions**

These collections of information contain no questions of a sensitive nature, as defined by OMB guidelines.

### **Estimate of Cost to the Federal Reserve System**

The estimated cost to the Federal Reserve System for collecting and processing these reports is \$2,362,900 per year.

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<sup>5</sup> 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 \$19, 45% Financial Managers at \$71, 15% Lawyers at \$69, and 10% Chief Executives at \$96). 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 2018*, published March 29, 2019, <https://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Occupational Classification System, <https://www.bls.gov/soc/>.