

INSTRUCTIONS FOR PREPARATION OF

Financial Statements of U.S. Nonbank Subsidiaries Held by Foreign Banking Organizations

FR Y-7N and FR Y-7 NS

General Instructions

Who Must Report

The Financial Statements of U.S. Nonbank Subsidiaries Held by Foreign Banking Organizations (FR Y-7N/FR Y-7NS) must be filed either quarterly or annually by the top-tier foreign banking organization (FBO) for each U.S. nonbank subsidiary¹ it owns or controls.

The FR Y-7N/FR Y-7NS must be submitted for each legal entity subject to reporting requirements. Therefore, consolidation of individual entities is not permitted.

For purposes of this report, nonbank subsidiaries include, but are not limited to, commercial or consumer finance companies, leasing companies, mortgage banking companies, venture capital corporations, small business investment companies, and data processing and information services companies that do not have a primary U.S. regulator other than the Federal Reserve System.

Quarterly Filers—Detailed Report (FR Y-7N)

Each top-tier FBO must file the FR Y-7N report on a **quarterly** basis for each of its U.S. nonbank subsidiaries that meets **any one** of the following criteria:

- (1) The total assets of the nonbank subsidiary are equal to or greater than \$1 billion; or

1. A subsidiary, for purposes of this report, is defined by Section 225.2 of Federal Reserve Regulation Y, which generally includes companies 25 percent or more owned or controlled by another company.

- (2) The nonbank subsidiary's off-balance-sheet activities² are equal to or greater than \$5 billion.

Once a nonbank subsidiary satisfies the criteria to file the FR Y-7N for any quarter during the calendar year, the nonbank subsidiary must continue to file the quarterly FR Y-7N for the remainder of the calendar year even if it no longer satisfies the requirement for filing the quarterly FR Y-7N.

Nonbank subsidiaries that do not meet the quarterly filing thresholds may be requested to file quarterly if the Federal Reserve Bank has determined that these nonbank subsidiaries have significant risk exposures.

Annual Filers—Detailed Report (FR Y-7N)

A nonbank subsidiary that does not meet any of the criteria to file quarterly, but has total assets greater than or equal to \$500 million and less than \$1 billion as of the report date must file the entire FR Y-7N report on an annual basis.

Annual Filers—Abbreviated Report (FR Y-7NS)

A nonbank subsidiary that does not meet the criteria to file the detailed report, but has total assets greater than or equal to \$250 million and less than \$500 million must file the Abbreviated Financial Statements of U.S. Nonbank Subsidiaries Held by Foreign Banking Organizations (FR Y-7NS) on an annual basis.

2. Off-balance-sheet activities (defined as the sum of Schedule BS, items 20 through 30) include commitments to purchase foreign currencies and U.S. dollar exchange, all other futures and forward contracts, option contracts, and the notional value of interest rate swaps, exchange swaps, and other swaps.

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³ For report dates through December 31, 2021, quarterly filing not required if nonbank subsidiary has total assets less than \$1 billion using the lesser of normal reporting applicability measurement date or 12/31/2019 as-of-date and does not meet any of other criteria to file quarterly.

⁴ For report dates through December 31, 2021, annual filing not required if nonbank subsidiary total assets was not greater than \$500 million and less than \$1 billion using the lesser of normal reporting applicability measurement date or 12/31/2019 as-of-date and does not meet any of other criteria to file quarterly.

⁵ For report dates through December 31, 2021, annual filing (abbreviated report) not required if nonbank subsidiary total assets was not greater than \$250 million and less than \$500 million using the lesser of normal reporting applicability measurement date or 12/31/2019 as-of-date and does not meet any of other criteria to file quarterly.

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