

**FFIEC 002 Draft Reporting Form and Instructions for Revisions
with Effective Dates Beginning with the June 30, 2021, Report Date**

The following draft reporting form and draft instructions, both of which are subject to change, present the pages from the FFIEC 002 Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks as they are proposed to be revised, subject to final approval by the U.S. Office of Management and Budget (OMB). These proposed revisions are described in the federal banking agencies' initial Paperwork Reduction Act (PRA) *Federal Register* notice published in the *Federal Register* on February 5, 2021. As discussed in the agencies' final PRA *Federal Register* notice published in the *Federal Register* on May 24, 2021, the agencies are proceeding with the revisions to the FFIEC 002 Report, with certain modifications, including the effective date of certain proposed revisions.

The initial and final PRA Federal Register notices are available on the FFIEC's webpage for the [FFIEC 002 Report](#).

Draft as of May 24, 2021

Table of Contents

Impacted Schedule / Instruction Book Entry Page

Effective as of the September 30, 2021, Report Date

- | | |
|--|---|
| 1. Revisions to Schedule O, Memorandum items 8 and 9 | |
| a. Report Form | 4 |
| b. Instructions to Schedule O | 6 |
| c. Associated Glossary Entry for Sweep Deposits | 7 |

Clarifications for the June 30, 2021, Report Date

- | | |
|-------------------------------------|---|
| 2. Brokered Deposits Glossary Entry | 9 |
|-------------------------------------|---|

DRAFT

The revisions on pages 4 through 7 are effective as of the September 30, 2021, report date.

DRAFT

Schedule O—Continued

	Dollar Amounts in Thousands		Reporting Branch Excluding Its IBF	
	RCON	Amount		
<i>Memorandum item 2 is to be completed by branches with \$1 billion or more in total claims on nonrelated parties.²</i>				
2. Estimated amount of uninsured deposits in the branch, including related interest accrued and unpaid ³	5597			M.2.
3. Preferred deposits (to be completed for the December report only)	5590			M.3.
4. and 5. Not applicable				
6. Outstanding balance of Paycheck Protection Program (PPP) loans	LG27			M.6.
7. Quarterly average amount of holdings of assets purchased from money market funds under the Money Market Mutual Fund Liquidity Facility	LL58			M.7.

← Insert A

- 2. The \$1 billion size test is generally based on the total claims on nonrelated parties (Schedule RAL, item 1.i, column A) reported in the preceding calendar year's June 30 FFIEC 002.
- 3. Uninsured deposits should be estimated based on the deposit insurance limits set forth in Memorandum items 1.a through 1.d.

Schedule P—Other Borrowed Money

NOTE: Exclude all transactions with related depository institutions.

	Dollar Amounts in Thousands		(Column A) Total Reporting Branch or Agency Including Its IBF		(Column B) IBF Only	
	RCFD	Amount	RCFN	Amount		
1. Owed to nonrelated commercial banks in the U.S. (including their IBFs):						
a. Owed to U.S. offices of nonrelated U.S. banks	3312		3312			1.a.
b. Owed to U.S. branches and agencies of nonrelated foreign banks	3313		3313			1.b.
2. Owed to nonrelated banks in foreign countries:						
a. Owed to foreign branches of nonrelated U.S. banks	3314		3314			2.a.
b. Owed to foreign offices of nonrelated foreign banks	3315		3315			2.b.
3. Owed to others	2869		2869			3.
	RCXX		RCXY			
4. Total (sum of items 1 through 3) (must equal Schedule RAL, item 4.c)	3190		3190			4.
Memorandum						
1. Immediately available funds with a maturity greater than one day included in other borrowed money	RCFD					M.1.
	2805					

Insert A

Dollar Amounts in Thousands

	RCON	Amount	
8. Sweep Deposits:			
(a) Fully insured, affiliate sweep deposits.....	MT87		M.8.(a)
(b) Not fully insured, affiliate sweep deposits.....	MT89		M.8.(b)
(c) Fully insured, non-affiliate sweep deposits.....	MT91		M.8.(c)
(d) Not fully insured, non-affiliate sweep deposits.....	MT93		M.8.(d)
9. Total sweep deposits that are not brokered deposits.....	MT95		M.9

DRAFT

Memoranda

Item No. **Caption and Instructions**

- Item M8** **Sweep deposits.** Report in the appropriate subitem the indicated sweep deposit data (as defined in the Glossary entry for “Sweep Deposits”).
- Item M8.a** **Fully insured, affiliate sweep deposits.** Report the amount of affiliate sweep deposits that are fully insured.
- Item M8.b** **Not fully insured, affiliate sweep deposits.** Report the amount of affiliate sweep deposits for which less than the entire amount of the deposit is covered by deposit insurance.
- Item M8.c** **Fully insured, non-affiliate sweep deposits.** Report the amount of non-affiliated sweep deposits that are fully insured.
- Item M8.d** **Not fully insured, non-affiliate sweep deposits.** Report the amount of non-affiliate sweep deposits for which less than the entire amount of the deposit is covered by deposit insurance.
- Item M9** **Total sweep deposits that are not brokered deposits.** Report the total amount of sweep deposits that are excluded from being reported as brokered deposits.

DRAFT

Glossary

Sweep Deposit

Sweep deposit means a deposit held at the reporting institution by a customer or counterparty through a contractual feature that automatically transfers to the reporting institution from another regulated financial company at the close of each business day amounts under the agreement governing the account from which the amount is being transferred. (Note: This definition of a “sweep deposit” is distinctly separate from the description of “retail sweep programs” in the “Reporting of Retail Sweep Arrangements” section of the Glossary entry for “Deposits.”)

Affiliate sweep deposit means a sweep deposit that is deposited in accordance with a contract between a customer or counterparty and the reporting institution, a controlled subsidiary of the reporting institution, or a company that is a controlled subsidiary of the same top-tier company of which the reporting institution is a controlled subsidiary.

Non-affiliate sweep deposit means a sweep deposit that is deposited in accordance with a contract between a customer or counterparty and an entity that is not affiliated with the reporting institution.

DRAFT

The clarifications on page 9 will be included in the June 30, 2021 Instruction Book updates.

DRAFT

Brokered Deposits

Brokered deposits represent funds which the reporting branch 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. The meaning of the term “brokered deposit” depends on the meaning of the term “deposit broker.” The term “deposit broker” is defined in Section 29(g) of the Federal Deposit Insurance Act and Section 337.6(a)(5) of the FDIC’s regulations. Under Section 337.6(a)(5), the term “deposit broker” means:

- Any person engaged in the business of placing deposits of third parties with insured depository institutions;
- Any person engaged in the business of facilitating the placement of deposits of third parties with insured depository institutions;
- Any person engaged in the business of placing deposits with insured depository institutions for the purpose of selling those deposits or interests in those deposits to third parties; and
- An agent or trustee who establishes a deposit account to facilitate a business arrangement with an insured depository institution to use the proceeds of the account to fund a prearranged loan.

Section 337.6(a)(5) describes the meanings of “engaged in the business of placing deposits” and “facilitating the placement of deposits” and describes certain exceptions to the term “deposit broker”, including certain business relationships designated under the regulation as meeting such an exception. Brokered CDs that are placed by or through the assistance of third parties with insured depository institutions are brokered deposits.

In some cases, brokered deposits are issued in the name of the depositor whose funds have been placed in an institution by a deposit broker. In other cases, an institution’s deposit account records may indicate that the funds have been deposited in the name of a third party custodian for the benefit of others (e.g., “XYZ Corporation as custodian for the benefit of others,” or “Custodial account of XYZ Corporation”). Unless the custodian meets one of the specific exemptions from the “deposit broker” definition in Section 29 of the Federal Deposit Insurance Act and Section 337.6(a) of the FDIC’s regulation~~this Glossary entry~~, these custodial accounts should be reported as brokered deposits in Schedule E, Deposit Liabilities.

~~A deposit listing service whose only function is to provide information on the availability and terms of accounts is not facilitating the placement of deposits and therefore is not a deposit broker per se. However, if a deposit broker uses a deposit listing service to identify an institution offering a high rate on deposits and then places its customers’ funds at that institution, the deposits would be brokered deposits and the institution should report them as such in Schedule E. The designation of these deposits as brokered deposits is based not on the broker’s use of the listing service but on the placement of the deposits in the institution by the deposit broker~~