

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

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 and Recordkeeping 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 not “qualifying” FBOs under section 211.23 of the Board’s Regulation K - International Banking Operations (12 CFR Part 211),¹
- 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 regulated investments and activities of various Board-supervised entities, and
- Supplement to the Report of Changes in Organizational Structure (FR Y-10E),² 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 modified the FR Y-6, FR Y-7 and FR Y-10 reports by (1) revising the FR Y-6 reporting requirements for reporters who do not have any changes from their prior year’s submission, (2) revising the FR Y-6 to automate and add a standard template for reporting item three, securities holders, and item four, insiders, (3) revising the FR Y-6 and FR Y-7 instructions for how the organizational chart and the tiered structure information are reported, (4) revising the FR Y-7 instructions to require the top tier FBO to file for its subsidiary FBOs, (5) revising the FR Y-6 instructions for how branches of domestic depository institutions and Edge and agreement corporations are verified and reconciled, (6) revising the FR Y-7 instructions language requirements for submission of the annual report to shareholders, (7) revising the FR Y-10 definition of control in the Glossary section of the instructions, (8) revising the FR Y-10 instructions for the legal authority codes and terminology for unitary savings and loans

¹ See 12 CFR 211.23(a).

² 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, (3) inform respondents that the information collection has been approved, (4) be used only in such cases where response is voluntary, (5) not be used to substantially inform regulatory actions or policy decisions, (6) be conducted only and exactly as described in the OMB submission, (7) involve only noncontroversial subject matter that will not raise concerns for other Federal agencies, (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 sensitive PII, the form must display a current Privacy Act notice). In addition, for each information collection instrument, respondent burden will be tracked and submitted to OMB.

holding company activities that meet the requirements of section 10(c)(9)(C) of the Home Owners' Loan Act (HOLA), (9) revising the FR Y-10 instructions to update descriptions for legal authority codes 14, 68 and 999, (10) revising the FR Y-10 reporting form to add an election to become a Covered Savings Association (CSA) as a reportable event, (11) revising the FR Y-10 instructions to remove savings associations from the definition of nonbanking company, (12) clarifying the FR Y-10 instructions for the definition of a head office location, (13) clarifying the FR Y-10 instructions for the state of incorporation for federally chartered entities, (14) revising the FR Y-6 and the FR Y-10 instructions to add a requirement that respondents keep a record of the data submitted, and (15) making other minor clarifications and conforming edits to the FR Y-6, FR Y-7, and FR Y-10 forms and instructions. The effective dates are as follows:

March 31, 2023:

- Revised the FR Y-10 definition of “control” in the Glossary section of the instructions.

December 31, 2024:

- Revised the FR Y-6 to automate and add a standard template for reporting item three, securities holders, and item four, insiders.
- Revised the FR Y-6 and FR Y-7 instructions for how the organizational chart and the tiered structure information are reported.
- Revised the FR Y-6 instructions for how branches of domestic depository institutions and Edge and agreement corporations are verified and reconciled.

All other changes are effective December 31, 2022. There are no changes to the FR Y-10E.

The current estimated total annual burden for the FR Y-6, FR Y-7, FR Y-10, and FR Y-10E reports is 57,207 hours, and would decrease to 53,997 hours. The revisions would result in a decrease of 3,210 hours. The form 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/reportingforms>. There is no formal reporting form for the FR Y-10E.

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 and certain FBOs to monitor that operations are conducted in a safe and sound manner and to assess compliance with applicable laws and regulations, including 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 Part 225), Regulation LL - Savings and Loan Holding

Companies (12 CFR Part 238), and Regulation YY - Enhanced Prudential Standards (12 CFR Part 252). Specifically, the FR Y-6 collects information from any FBO that does not meet the requirements of and is not treated as a qualifying FBO under section 211.23 of Regulation K (12 CFR 211.23). As discussed below, the FR Y-6 collects, among other things, information about the principal owners and directors of an HC. This information is of supervisory importance because these individuals can have a significant effect on the policies and condition of banking organizations. The FR Y-6 also collects data on outside business interests of directors and officers, including information that indicates whether an individual owns 25 percent or more of any other banking organizations; this information aids the Federal Reserve in identifying chain-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.

With respect to FBOs that are bank holding companies (BHCs), the Board uses the FR Y-7 to collect financial and structural information from qualifying 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 whether an FBO is a qualifying FBO and determine 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 safe and sound 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 K, Regulation Y, Regulation LL, and Regulation YY.

The Board uses the FR Y-10E when there is an immediate need to collect critical organizational 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 and non-qualifying FBOs. 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 qualifying 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 free-form supplement to the FR Y-10 that the Board uses to collect additional structural information as needed on an emergency basis. Responses for the FR Y-10E are voluntary. Submission methods vary depending on the nature and time-sensitivity of the data requests.

Respondent Panel

The FR Y-6 panel comprises top-tier BHCs, savings and loan holding companies (SLHCs), employee stock ownership plans (ESOPs) and employee share ownership trusts (ESOTs) or trusts that are BHCs or SLHCs, securities holding companies, intermediate holding companies (IHCs), and any foreign banking organization that does not meet the requirements of and is not treated as a qualifying foreign banking organization under Regulation K.

The FR Y-7 panel comprises all qualifying FBOs that engage in banking in the United States, either directly or indirectly.

The FR Y-10 and FR Y-10E panels comprise top-tier BHCs (including ESOPs or ESOTs that are BHCs and financial holding companies); top-tier SLHCs, including ESOPs, ESOTs, or trusts that are SLHCs pursuant to Regulation LL; FBOs; state member banks that are not controlled by an 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 BHC or an FBO (with regard to their foreign investments only); and securities holding companies.

Proposed Revisions to the FR Y-6, FR Y-7, and FR Y-10 Reports

FR Y-6 Reporting Requirements for Reporters without Changes

The Board proposed revisions to the FR Y-6 instructions and report form cover pages to add a “Yes/No” checkbox for reporters to indicate whether the firm had changes to any reportable items from the prior year’s submission. In addition, the Board proposed to add a “Yes/No” checkbox to items 2, 3 and 4 for reporters to specifically indicate the item(s) that changed. Reporters that check “Yes” for having changes to any reportable items would have also checked “Yes” for the specific item(s) that changed and submit this information as part of their FR Y-6 submission for the year. Reporters that check “No” for not having reportable changes would have only been required to submit the signed cover page annually, along with a copy of their annual report to shareholders if they meet the reporting criteria for its submission. These revisions would have reduced reporting burden for HCs that do not have changes to reportable items in a given year.

FR Y-6 Reporting for Securities Holders and Insiders

The Board proposed revisions to the FR Y-6 report form and instructions to add a standard template for reporting item 3, securities holders, and item 4, insiders, and to add electronic submission of these items. Standardizing these items would have simplified reporting this information and allows for electronic submission in lieu of paper or PDF filing. In addition, electronic filing would have facilitated easier data submission and faster processing and provides ready accessibility of prior filings.

FR Y-6 and FR Y-7 Organization Chart

The Board proposed to revisions to item 2.a, Organization Chart, of the FR Y-6 and FR Y-7 to modify how reporters submit their organization chart. Under the proposal, reporters would no longer have been required to submit a hard copy of their organization chart. The Board proposed to implement an electronic system for reporters to access their organization chart securely and reconcile their structure data.

FR Y-6 and FR Y-7 Tiered Structure Page

The Board proposed to remove the FR Y-6 and FR Y-7 tiered structure page. As described above on the changes for item 2.a, Organization Chart, reporters would have accessed their tiered structure in a secure system to reconcile any discrepancies.

FR Y-7 Reporter in a Multi-Tiered Organization

The Board proposed to revise the FR Y-7 instructions to require the top tier FBO to file for its subsidiary FBOs. This would have reduced confusion as to which FBO would be filing in a multi-tiered organization and ensure that information reported is appropriately captured under the ultimate parent FBO.

FR Y-6 Domestic Branch Listing

The Board proposed to decommission the branch verification website, listed in item 2.b of the FR Y-6. As described above on the changes for item 2.a, Organization Chart, reporters would have accessed their domestic depository institutions and their branches and Edge and agreement corporations in a secure system to reconcile any discrepancies.

FR Y-7 Annual Report to Shareholders

The Board proposed to revise the FR Y-7 instructions to require the annual report to be submitted in English only. Currently, FBOs that prepare an annual report for their shareholders are required to submit a copy in the original language and an English translation copy for each reported FBO. This proposed change would have resulted in a small burden reduction for respondents who prepare an annual report in languages other than English.

FR Y-10 Glossary - Definition of Control

The Board proposed to revise the definition of “control” in the FR Y-10 Glossary to be in line with the Board’s final rule on control³ and other Board forms. This proposed change would have provided clarity to respondents when determining what constitutes control.

FR Y-10 Legal Authority Code and Terminology for HOLA Section 10(c)(9)(C)

The Board proposed to update the FR Y-10 to refer to unitary SLHCs subject to section 10(c)(9)(C) of HOLA as “Legacy Unitary Savings and Loan Holding Companies” (LUSLHCs). Additionally, the Board proposed to revise the definition for Legal Authority Code (LAC) 412 to be applicable to unitary SLHCs subject to section 10(c)(9)(C), rather than section 10(c)(6)(B), of the HOLA, as the revised citation is the proper authority for LUSLHCs. The Board also proposed to remove the LAC 410 from Appendix A of the FR Y-10, which would have no longer been used in light of the proposed change to LAC 412.

FR Y-10 Legal Authority Code Descriptions

The Board proposed to revise the FR Y-10 instructions to update the description for legal authority codes 14, 68, and 999. The descriptions contain outdated terminology, and the revisions would have provided updated language from the relevant statutory text.

FR Y-10 Covered Savings Associations

The Board proposed to revise the Savings and Loan Holding Company schedule of the FR Y-10 form and instructions by adding as a reportable change in legal authority a notice by an HC’s subsidiary federal savings association (FSA) to the Office of the Comptroller of the Currency (OCC) to operate as a CSA. Section 5A of HOLA permits FSAs that meet certain criteria to elect national bank powers and operate as CSAs without having to change their charters by submitting a notice of election to the OCC.⁴ With limited exceptions, the Federal Reserve treats CSAs as national banks and their controlling HCs as bank holding companies. Eligible FSAs have been able to take this election since May 24, 2019, when the OCC issued its final rule on CSAs. CSAs and their controlling HCs are currently not required to provide the Federal Reserve notice of the election and there is currently no publicly available way to collect this information. Given that the CSA election materially changes the nature of supervision and regulation of the electing FSA and its controlling HC, this revision would have allowed the Federal Reserve to track this change in legal authority in a timely matter.

A new box with the company type labeled “Federal Savings Association/Covered Savings Association” would also have been added to item 9, Savings and Loan Type, for eligible reporters. Additionally, the Board proposed to update the Glossary to define CSAs.

³ 85 FR 12398 (March 2, 2020).

⁴ 12 U.S.C. § 1464a.

FR Y-10 Description of Savings Association as Nonbank Company

The Board proposed to update the FR Y-10 form and instructions to remove references to a savings association as a nonbanking company. This change would have reduced confusion since a savings association company is not considered to be a nonbank company for FR Y-10 reporting purposes as the transactions involving these entities are reported in the Savings and Loan Schedule.

FR Y-10 Head Office Location

The Board proposed to revise the FR Y-10 instructions to clarify that a head office location of a depository institution may also include a separately licensed branch at the same address. This clarification would have helped to reduce confusion on when a head office location should be reported as a branch and how to accurately identify all bank branches. The Board also proposed to revise the FR Y-10 instructions to clarify that reporters should use the location where the main activities and operations of an entity are conducted when reporting the head office of an entity without a brick-and-mortar location.

FR Y-10 State of Incorporation

The Board proposed to revise the FR Y-10 instructions to require nationally chartered entities to indicate that they are “federally chartered” when reporting where they are incorporated. The current instructions require the state of incorporation to be reported for all reportable entities, but do not include instructions for how nationally chartered entities should report.

FR Y-6 and FR Y-10 Recordkeeping Requirement

Finally, the Board proposed to revise the FR Y-6 and the FR Y-10 instructions to require respondents to maintain in their files a physical copy of the manually signed FR Y-6 and FR Y-10 submissions. These reports do not currently account for recordkeeping, and the revision would have required that this information must be maintained for a period of three years following submission.

Time Schedule for Information Collection

Respondents submit the FR Y-6 annually, no later than 90 calendar days after the end of the top-tier HC’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 120 days after the reporter’s fiscal year-end. 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/NPW>. Unless granted confidential treatment, additional respondent data are available to the public upon request through the appropriate Reserve Bank.

Legal Status

The FR Y-6 is authorized by the Board's reporting authorities, which are located in section 5(c)(1) of the BHC Act for BHCs (12 U.S.C. § 1844(c)(1)), section 10(b)(2) of HOLA for SLHCs (12 U.S.C. § 1467a(b)(2)), and section 618 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (Dodd-Frank Act) for securities holding companies (12 U.S.C. § 1850a(c)(1)). The Board has authority to require IHCs to file the FR Y-6 pursuant to section 5(c) of the BHC Act (12 U.S.C. § 1844(c)) and sections 102(a)(1) and 165 of the Dodd-Frank Act (12 U.S.C. §§ 5311(a)(1) and 5365).⁵ The Board has the authority to require any top-tier HC that is organized under foreign law but is not a FBO, and any FBO that does not meet the requirements of and is not treated as a qualifying FBO under Regulation K, to file the FR Y-6 under sections 8(a) and 13(a) of the International Banking Act of 1978 (IBA) (12 U.S.C. §§ 3106(a) and 3108(a)) and section 5(c)(1) of the BHC Act (12 U.S.C. § 1844(c)(1)). Section 8(a) of the IBA makes certain FBOs subject to the provisions of the BHC Act, and section 13(a) of the IBA authorizes the Board to "issue such rules, regulations, and orders as" it may deem necessary in order to perform its "respective duties and functions under this chapter and to administer and carry out the provisions and purposes of this chapter and prevent evasions thereof."

The FR Y-7 is authorized by sections 8(a) and 13(a) of the IBA and section 5(c)(1) of the BHC Act.

The FR Y-10 and FR Y-10E are authorized by the Board's reporting authorities, which are located in section 5(c)(1) of the BHC Act for BHCs, section 10(b)(2) of HOLA for SLHCs, and section 618 of the Dodd-Frank Act for securities holding companies. The Board is authorized to require state member banks and agreement and Edge corporations to file the FR Y-10 by reporting authorities located in sections 9(6), 25, and 25A of the Federal Reserve Act (FRA) (for state member banks, agreement corporations, and Edge corporations, respectively) (12 U.S.C. §§ 324, 602, and 625, respectively). Similarly, information collection from national banks under the FR Y-10 and FR Y-10E with respect to their foreign branches, their investments made under Subpart A of Regulation K, and foreign branches of their foreign subsidiaries that are investments made under Subpart A of Regulation K, is authorized by the reporting authorities located in sections 25 and 25A of the FRA. The Board has the authority to

⁵ Section 102(a)(1) of the Dodd-Frank Act (12 U.S.C. § 5311(a)(1)), defines "bank holding company" for purposes of Title I of the Dodd-Frank Act to include FBOs that are treated as bank holding companies under section 8(a) of the IBA (12 U.S.C. § 3106(a)). The Board has required, pursuant to section 165(b)(1)(B)(iv) of the Dodd-Frank Act (12 U.S.C. § 5365(b)(1)(B)(iv)), certain FBOs subject to section 165 of the Dodd-Frank Act to form U.S. IHCs. Accordingly, the parent foreign-based organization of a U.S. IHC is treated as a BHC for purposes of the BHC Act and section 165 of the Dodd-Frank Act. Because section 5(c) of the BHC Act authorizes the Board to require reports from subsidiaries of BHCs, section 5(c) provides authority to require U.S. IHCs to report the information contained in the FR Y-6.

require FBOs to file the FR Y-10 under sections 8(a) and 13(a) of the IBA and section 5(c)(1) of the BHC Act.

Information collections under the FR Y-6, FR Y-7, and FR Y-10 are mandatory. Information collections under the FR Y-10E are voluntary.

Individual respondents may request that information submitted to the Board through the FR Y-6, FR Y-7, FR Y-10, and FR Y-10E be kept confidential. If a respondent requests confidential treatment, the Board will determine whether the information is entitled to confidential treatment on a case-by-case basis. To the extent a respondent submits nonpublic commercial or financial information, which is both customarily and actually treated as private by the respondent, the respondent may request confidential treatment pursuant to exemption 4 of the Freedom of Information Act (FOIA) (5 U.S.C. § 552(b)(4)). To the extent a respondent submits personal, medical, or similar files, the disclosure of which would constitute an unwarranted invasion of privacy, the respondent may request confidential treatment pursuant to exemption 6 of the FOIA (5 U.S.C. § 552(b)(6)). Additionally, personal home addresses of securities holders submitted in response to the FR Y-7 will be treated as confidential pursuant to exemption 6 of the FOIA.

Consultation Outside the Agency

There has been no consultation outside the Federal Reserve System.

Public Comments

On May 9, 2022, the Board published an initial notice in the *Federal Register* (87 FR 27639) requesting public comment for 60 days on the extension, with revision, of the FR Y-6, FR Y-7, FR Y-10, and FR Y-10E reports. The comment period for this notice expired on July 8, 2022. The Board received comments from three commenters: two from trade associations and one from an individual banking organization. Board staff also conducted two follow-up calls with trade associations along with banking organizations to better understand their concerns and recommendations. The commenters generally supported the proposed revisions.

A commenter remarked that the effective date of the revision to the definition of “control” in the FR Y-10 glossary should be delayed to September 30, 2023. Specifically, the commenter noted that a delay would allow companies additional time to implement the revision. The commenter also sought confirmation regarding the application of the revised definition to past and current structures.

The proposed revised definition of “control” was intended to align the FR Y-10 and other structure reports to the Board’s final control rule. After this alignment, reporting companies will be required to report subsidiaries—that is companies that are controlled—for purposes of Regulations Y and LL (12 CFR Parts 225 and 238) as subsidiaries under the FR Y-10 and other structure reports. This will ensure that reported structure information matches reporting companies’ actual organizational structures.

Regarding the effective date of the revised definition of “control” on the FR Y-10, the Board will not move forward with the September 30, 2022, effective date. Instead, the Board adopted the effective date of March 31, 2023, to allow additional time for respondents to perform any system enhancements.

As a result of the revised glossary definition of “control,” a reporting company generally should ensure that filings are made to reflect all current subsidiaries within 30 days of the effective date of the revised definition, consistent with the standard filing period. This revision does not require a reporting company to report a company that is not a subsidiary as of the effective date of the revised definition, even if the company would have been a subsidiary in the past under the revised definition. In addition, consistent with guidance previously provided in the final control rule, a reporting company does not need to file to reflect a subsidiary that would be controlled under the revised definition but for the fact that the subsidiary (1) was reviewed by Federal Reserve System staff prior to the effective date of the control rule and was not determined to be controlled or (2) was reasonably determined not to be controlled by the reporting company at the time the relationship was established based on the standards and interpretations then in effect.⁶ The glossary has been revised to reflect the outstanding guidance on the control rule.

A commenter requested that the Board retain the flexibility in the FR Y-7 for tiered FBOs to file separately, stating that the proposed change would create significant challenges for certain FBOs. In response to this comment, the Board will not move forward with requiring the top tier FBO to file for its subsidiary FBOs.

A commenter recommended that the proposed automated system for the FR Y-6 incorporate functionality to allow reporters to identify items as confidential, similar to the current process. Additionally, the commenter recommended revising the reporting instructions to provide clarity on how to request confidentiality with the new electronic filing process. The Board has not changed the existing process for requesting confidentiality for the FR Y-6 report. Additionally, any future system enhancements will allow for the current process for requesting confidentiality to continue.

A commenter noted that the proposed FR Y-6 report item 4 has two columns incorrectly labeled as (4)(b), and that one of the columns should be column (4)(d). The Board acknowledges this discrepancy and will adopt the proposed item with correctly labelled columns.

A commenter requested that the Federal Reserve confirm that firms will be able to submit multiple entries in the data fields for item 4 of the proposed FR Y-6 report forms. In response to this comment, the Board will ensure that the implemented technology will allow reporters to submit the necessary information for each required field.

A commenter recommended that the revised FR Y-6 form for reporting items 3 and 4, and the corresponding electronic submission process, should explicitly enable functionality to allow firms to download the standard template. The commenter further stated that adding this

⁶ These exclusions do not apply if, subsequent to the review by Federal Reserve System staff or the reporting company, the relationship between the reporting company and the other company changed materially.

functionality will significantly decrease the potential burdens associated with these items. The Board agrees that a downloadable format would be useful and will take this comment into consideration during the development of the new system.

Commenters recommended that the Board permit the use of electronic signatures as part of the proposed recordkeeping requirement. Additionally, commenters recommended that firms maintain electronic copies of the FR Y-6 and FR Y-10 reports submitted to the Federal Reserve instead of hard copies. In response to these comments, the Board has not adopted the proposal to require respondents to maintain a physical copy of the entire FR Y-6 or FR Y-10 report. Instead, the Board has adopted a requirement that FR Y-6 and FR Y-10 respondents maintain manually signed cover pages for a period of three years following submission. Because the cover page signature will not be submitted to the Federal Reserve with electronic filing, this requirement is necessary for examiners to verify that the cover pages were signed. The Board will consider the use of electronic signatures in future technology enhancements.

A commenter made several observations regarding the proposed changes for Organization Chart and Domestic Branch Listing items on the FR Y-6:

- Noted a lack of clarity on changes to the reconciliation and verification requirements and data sources for the verification. The commenter noted that there is additional burden on respondents to reconcile because of the timing differences between when the FR Y-6 data becomes available and the high volume of FR Y-10 reports at year-end.
- Recommended the Federal Reserve remove the Organization Chart and Domestic Branch Listing from the FR Y-6 since the information is currently available on the FR Y-10 on an event driven basis. The commenter further stated that if the recommendation is not accepted, they suggested creating automated tools to allow ad hoc reconciliation between internal systems and Federal Reserve databases for all FR Y-10 reported data.
- Requested clarification of the filing requirements for reporters that answer “Yes” for the Organization Chart item.

With regard to the sourcing of data, reporters will reconcile data previously submitted to the Board through an FR Y-6 or FR Y-10 filing to confirm accuracy of the data. Therefore, the Board’s system should have the most up to date data for firms to reconcile. If the reporter identifies a discrepancy in the reconciliation, an FR Y-10 report must be submitted to update the information on the Board’s system. In response to the comment about removing items 2.a and 2.b from the FR Y-6 report, the Board will retain these items on the FR Y-6 and is adopting the changes to items 2.a and 2.b as proposed. Retaining the information in items 2.a and 2.b will ensure the accuracy and completeness of structure data on the Board’s system. Reporters that use the online system to reconcile items 2.a and 2.b will no longer be required to submit an organizational chart as part of their FR Y-6 report, even if they indicated “Yes” for having changes from the prior year. Further, the Board will consider allowing ad hoc reconciliation between organizational structure information in the Federal Reserve’s database and reporter’s internal systems during the development of the new system.

A commenter recommended that the Federal Reserve update the attestation language in the FR Y-6 instructions to remove the reference to the supporting attachments as they will no longer be included in the report with the proposed electronic submission. The Board recognizes

that there may be instances where a reporter must use another filing option, such as mailing the FR Y-6 report or uploading a PDF of the report to Reporting Central. Thus, this language is still relevant and will remain in the instructions.

A commenter stated that, although not directly raised by changes reflected in the proposal, the Board should revise the FR Y-7 Report Item 2 to align the perimeter of reportable non-bank companies with the FR Y-10. The commenter noted that this change would allow the Board to meaningfully reduce the reporting burden associated with the FR Y-7 without materially impairing the usefulness of the information to the Board. The Board acknowledges the variance between the FR Y-7 and the FR Y-10 in reporting certain nonbanking companies in which the reporting entity controls between five and 25 percent of outstanding shares of any class of voting securities. However, this information is relevant for supervisory purposes and is not reported elsewhere. The Board will continue to collect this information on the FR Y-7 report at this time.

Aside from the changes discussed above, the Board adopted the extension, with revision, of the FR Y-6, FR Y-7, FR Y-10, and FR Y-10E reports as originally proposed. On November 29, 2022, the Board published a final notice in the *Federal Register* (87 FR 73304).

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR Y-6, FR Y-7, FR Y-10, and FR Y-10E reports is 57,207 hours, and would decrease to 53,997 hours. The revisions would result in a decrease of 3,210 hours. The Board estimates that the average hours per response would decrease by 3 hours for the FR Y-6 and 1.5 hours for the FR Y-7. The decrease in burden is primarily due to the elimination of the requirement to file a full FR Y-6 report for firms that would check “No” in the proposed new checkboxes on the FR Y-6, the automation of the organization chart for the FR Y-6 and FR Y-7, and changes to the submission of the tiered structure information. The Board estimates that the average hours per response for the FR Y-6 and FR Y-10 recordkeeping requirements would be 0.5 hours each. These reporting and recordkeeping requirements represent less than 1 percent of the Board’s total paperwork burden.

FR Y-6, FR Y-7, FR Y-10, and FR Y-10E	<i>Estimated number of respondents⁷</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Current				
FR Y-6	3,803	1	5.5	20,917
FR Y-7	236	1	4.5	1,062
FR Y-10	3,950	3.37 ⁸	2.5	33,253
FR Y-10E	3,950	1	0.5	<u>1,975</u>
	<i>Current Total</i>			57,207
Proposed Reporting				
FR Y-6	3,803	1	2.5	9,508
FR Y-7	236	1	3.0	708
FR Y-10	3,950	3.37	2.5	33,253
FR Y-10E	3,950	1	0.5	1,975
Recordkeeping				
FR Y-6	3,803	1	0.5	1,902
FR Y-10	3,950	3.37	0.5	<u>6,651</u>
	<i>Proposed Total</i>			53,997
	<i>Change</i>			(3,210)

The current estimated total annual cost to the public for the FR Y-6, FR Y-7, FR Y-10, and FR Y-10E reports is \$3,458,163, and would decrease to \$3,264,119 with the revisions.⁹

Sensitive Questions

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

⁷ Of these respondents, 2,642 for the FR Y-6; 1 for the FR Y-7; 2,620 for the FR Y-10; and 2,620 for the FR Y-10E are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$750 million in total assets), <https://www.sba.gov/document/support-table-size-standards>. There are no special accommodations given to mitigate the burden on small institutions.

⁸ In 2020, there were 13,301 FR Y-10's processed for the 3,950 reporting institutions. This volume yields an approximate annual frequency of 3.37.

⁹ 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 \$21, 45% Financial Managers at \$74, 15% Lawyers at \$71, and 10% Chief Executives at \$102). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor Statistics (BLS), *Occupational Employment and Wages, May 2021*, published March 31, 2022, <https://www.bls.gov/news.release/ocwage.t01.htm>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.

Estimate of Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System for collecting and processing these reports is \$2,730,600 per year.