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# General Instructions for Preparation of the Foreign Banking Organization Structure Report on U.S. Banking and Nonbanking Activities—(FR Y-7A)

## General Instructions

All top-tier foreign banking organizations are required to file the FR Y-7A to report information on banking and nonbanking activities conducted in the United States, either directly, or indirectly, through subsidiaries. Include U.S. companies and non-U.S. companies engaged in business in the United States, either directly through a U.S. office or indirectly through a U.S. subsidiary, all non-U.S. subsidiaries of the organization that directly or indirectly hold these companies, and all U.S. offices of the foreign banking organization at which it directly conducts banking activities.

The foreign banking organization should file responses to Items 1 and 2 of the FR Y-7A for the first fiscal year end subsequent to it becoming a foreign banking organization. For the foreign banking organization's fiscal year ends subsequent to the initial filing, the Reserve Bank will provide a facsimile confirmation report (FCR) containing the information previously submitted in response to Report Items 1 and 2. The foreign banking organization is required to review this report for accuracy and completeness (annotating any changes or corrections to the data to show the appropriate information), and to complete FR Y-7A forms only for companies and offices defined below as reportable if they were not previously reported or have resumed being reportable.

Refer to the General Instructions for Preparation of the Annual Report of Foreign Banking Organizations—FR Y-7 and to the Glossary to the FR Y-7 for additional information and definitions of terms used herein.

## Companies and Offices Reportable on the FR Y-7A

- The foreign banking organization itself (cover page);
- U.S. branches, agencies, and representative offices of

each foreign banking organization that is itself a foreign bank;

- U.S. bank holding companies, banks, Edge corporations, agreement corporations, and commercial lending companies, which the foreign banking organization, directly or indirectly through a controlled company, owns or controls in excess of 5 percent of any class of voting securities;<sup>1</sup>
- U.S. banks or bank holding companies which the foreign banking organization, directly or indirectly through a controlled company, owns or controls 25 percent or more of any class of non-voting equity<sup>1</sup>;
- U.S. banks or bank holding companies held by the foreign banking organization, directly or indirectly through a controlled company, in a fiduciary capacity when ownership or control exceeds 5 percent of any class of voting securities and the foreign banking organization, directly or indirectly through a controlled company, has the sole discretionary power to vote the securities;
- U.S. companies and non-U.S. companies directly or indirectly engaged in business in the United States which the foreign banking organization directly or indirectly owns or controls in excess of 5 percent of any class of voting securities or their equivalent. Included among these are: (i) securities which were acquired in the regular course of collecting a debt previously contracted in good faith; (ii) companies which were established by the foreign banking organization or its subsidiaries to hold assets acquired in the regular course of collecting a debt contracted in good faith; and (iii) securities which are held in a fiduciary capacity where the shares are held for the benefit of the foreign banking organization, or its shareholders or its employees;

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1. See Glossary.

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# General Instructions

- Direct U.S. offices through which the foreign banking organization conducts nonbanking activities;
- U.S. companies and non-U.S. companies engaged in business in the United States which the foreign banking organization, directly or indirectly through a controlled company, otherwise controls.
- Interests or shares in general or limited partnerships if such interests or shares entitle the holder to any of the following: (1) vote for or select partners, directors, or trustees (or other persons exercising a similar function of the issuing partnership); or (2) vote on or direct the conduct of the operations or other significant policies of the partnership.
- Companies that were active and met criteria noted above at the time they were acquired, but which became inactive before the first fiscal year end of the foreign banking organization subsequent to their acquisition.
- Non-U.S. subsidiaries of the foreign banking organization that are direct or indirect holders of any of the above companies.

*Do not report the following:*

- Banks or bank holding companies in which the ownership interest or control is 5 percent or less of any class of voting shares,<sup>1</sup> or less than 25 percent of any class of nonvoting shares;
- Nonbank companies in which the sole ownership interest or control is through nonvoting equity;
- Companies that are owned or controlled by U.S. bank holding companies and are reported on the form FR Y-6A, Report of Changes in U.S. Investments and Activities, or on form FR 2064, Report of Changes in Foreign Investments (Made Pursuant to Regulation K);
- Non-U.S. companies that do not have U.S. activities directly through a U.S. office or indirectly through a U.S. subsidiary, and do not otherwise directly or indirectly own or control shares of a similar interest in a reportable company;
- Companies set up as shell organizations or name-saving organizations that have not yet engaged in any business activities;

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1. See Glossary.

- Companies that have been formed or incorporated but do not yet conduct any business activity. These companies become reportable upon the commencement of an activity;
- Companies which are held solely as collateral securing an extension of credit; and
- Activities that have been approved but not yet commenced.

## What Must Be Reported

Transactions affecting the organizational structure of the foreign banking organization must be reported. These transactions include:

### Investments

- The cessation of reportability of companies owned directly or indirectly by companies sold, merged, liquidated, or control of which ceased;
- The formation of a foreign banking organization, or the acquisition of shares of a reportable company by a foreign banking organization or any of its directly or indirectly controlled companies;
- The sale of shares of a reportable company by a foreign banking organization or any of its directly or indirectly controlled companies;
- The transfer of shares from one subsidiary to another within the same foreign banking organization; and
- The liquidation of any company held directly or indirectly by the foreign banking organization.

### Activities

- The commencement of a new U.S. business activity by the foreign banking organization or by any reportable company within the foreign banking organization. This includes the recommencement of activities previously conducted;
- The cessation of a U.S. business activity by the foreign banking organization or any reportable company within the foreign banking organization; and
- A change in the primary business activity of any company within the foreign banking organization.

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# General Instructions

## Other Changes

- Changes to the legal name of a foreign banking organization or any reportable company within the foreign banking organization;
- Changes to the mailing address of a foreign banking organization;
- Changes to the physical address of the foreign banking organization, or any reportable company within the foreign banking organization. These characteristics include country, city, state, street address, and zip code; and
- Changes to the legal authority under which the company is held.

## Initial Reporting

A foreign banking organization submitting this report for the first time must report for itself and all companies owned directly or indirectly through controlled companies at the time the company became a foreign banking organization subject to supervision and regulation by the Federal Reserve System. To determine which directly and indirectly owned companies are reportable, see pages 1–2 of the General Instructions.

## Tiered Foreign Banking Organization

Top-tier foreign banking organizations are required to prepare and file the Foreign Banking Organization Structure Report on U.S. Banking and Nonbanking Activities (FR Y-7A) in accordance with these instructions to reflect an accurate presentation of the foreign banking organization's organizational structure. The top-tier foreign banking organization is responsible for the accuracy, completeness and timeliness of separate filings of tiered foreign banking organizations.

## Amended Reports

The Federal Reserve may require the filing of amended pages of the Foreign Banking Organization Structure Report on U.S. Banking and Nonbanking Activities (FR Y-7A) or the Facsimile Confirmation Report (FCR) if reports as previously submitted contain significant errors.

## Request for Confidential Treatment

This report is available to the public upon request on an individual basis.

A reporting foreign banking organization may request confidential treatment if the foreign banking organization is of the opinion that disclosure of certain commercial or financial information in the report would likely result in substantial harm to its (or its subsidiaries') competitive position, or that disclosure of submitted personal information would result in an unwarranted invasion of personal privacy.

In a letter separate from the FR Y-7A but accompanying the filing, the foreign banking organization should specify each portion of the report for which confidentiality is being requested for the report year. The letter should provide a detailed justification of the need for confidentiality for each portion of the report for which confidential treatment is being requested for the first time. The justification should demonstrate the specific nature of the harm that would result from public release of the particular portion of information. Merely stating that competitive harm would result or that the information is personal is not sufficient justification. The letter should also include a list of each portion of the reports for which confidentiality was requested in the past and for which confidential treatment should continue. **Any portion of the report for which confidentiality was requested in the past which is not specified in the letter will no longer be treated as confidential.**

Information for which confidential treatment is requested should be reported in a separate submission labeled "confidential." This information should be specifically identified in the report as having been submitted separately in the confidential section. The foreign banking organization should clearly mark on the FR Y-7A for the particular company those portions for which confidentiality is being requested.

The Board will determine whether information submitted with a request for confidential treatment will be so treated, and will advise the foreign banking organization through the appropriate Federal Reserve Bank of any decision to make available to the public any of the information.

If a determination is made to release any of the confidential information pursuant to a judicial order or other determination, the Board will inform the foreign

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# General Instructions

banking organization prior to release of the information. Release of this information is governed by the Board's Rules on the Availability of Information (See 12 CFR part 261).

## **Additional Information**

In instances such as large mergers or corporate reorganizations where numerous structure changes occur, a foreign banking organization may submit additional

material such as before and after organization charts to aid reporting these complex transactions. Additionally, a narrative description of complex transactions may be submitted for purposes of clarity. The inclusion of these additional materials is encouraged when reporting complex changes.

The foreign banking organization should follow the procedures on confidentiality set out above in filing additional information to the report.





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# U.S. Banking Activities

## Report Item 1—Continued

8. Control Indicator (respond Y or N to *each*)
- a. Controlled by this direct holder  
Yes  No
  - b. Controlled in the aggregate within the foreign banking organization, directly or indirectly, through subsidiaries.  
Yes  No
9. Report the Organization Type of the company \_\_\_\_\_  
(Select from among the following: 1 = Corporation, 2 = Partnership, 3 = Limited Partnership, 4 = Trust, 5 = Sole Proprietorship, 6 = Mutual, 9 = Cooperative, 10 = Limited Liability Partnership, 11 = Limited Liability Corporation, 99 = Other (provide explanation)).
10. \_\_\_\_\_  
Legal Authority<sup>8</sup>

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8. The legal authority citation must be specific and should reference the appropriate section of the BHC Act, the IBA, the Federal Reserve Act, Regulation K, Regulation Y, and/or related Orders of the Federal Reserve Board. For activities conducted under Section 4(c)(8) of the BHC Act and Section 225.28 of Regulation Y, cite only Section 4(c)(8) of the BHC Act and Section 225.28 of Regulation Y.





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# U.S. Nonbanking Activities

## Report Item 2—Continued

7. Does the direct holder own nonvoting equity securities in addition to the voting equity securities noted above?  
Yes  No
8. Control Indicator (respond Y or N to *each*)
- a. Controlled by this direct holder  
Yes  No
- b. Controlled in the aggregate within the foreign banking organization, directly or indirectly, through subsidiaries.  
Yes  No
9. Report the Organization Type of the company \_\_\_\_\_  
(Select from among the following: 1 = Corporation, 2 = Partnership, 3 = Limited Partnership, 4 = Trust, 5 = Sole Proprietorship, 6 = Mutual, 9 = Cooperative, 10 = Limited Liability Partnership, 11 = Limited Liability Corporation, 99 = Other (provide explanation)).
10. \_\_\_\_\_  
Legal Authority<sup>8</sup>
11. Activity Code(s)<sup>9</sup> \_\_\_\_\_
- a. Description of activity \_\_\_\_\_  
\_\_\_\_\_
- b. For a U.S. Company engaging in activities in reliance on Section 2(h)(2) of the BHC Act or Section 211.23(f)(5)(iii) of Regulation K, indicate whether its non-U.S. parent company engages directly or indirectly in the same or related activities abroad.  
 Yes  No
12. Business Measurement Test (Provide the dollar amounts and percents, as applicable)<sup>10</sup>  
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8. The legal authority citation must be specific and should reference the appropriate section of the BHC Act, the IBA, the Federal Reserve Act, the Bank Export Services Act, Regulation K, Regulation Y and/or related Orders of the Federal Reserve Board. For activities conducted under Section 4(c)(8) of the BHC Act and Section 225.28 of Regulation Y, cite only Section 4(c)(8) of the BHC Act and Section 225.28 of Regulation Y.

9. a. The alpha-numeric codes that are listed in the Federal Reserve Board of Governors' Activity Code Manual should be used for Federal Reserve reporting purposes. If a code cannot be found to describe the activity, refer to the Standard Industrial Classification Manual, 1987, issued by the U.S. Office of Management and Budget.  
b. A response to item 11 is not necessary when the information being provided is for a non-U.S. company in which the reporting foreign

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banking organization directly or indirectly owns, controls, or holds with power to vote less than 25 percent of any class of voting securities (See Regulation Y, Section 225.2(q)), unless the non-U.S. company is engaged, directly or indirectly, in the business of underwriting, selling, or distributing securities in the United States.

10. When the foreign banking organization engages in business in the United States in reliance on Section 2(h)(2) of the BHC Act and Section 211.23(f)(5)(iii) of Regulation K, indicate the amount and percent of both the non-U.S. company's world-wide consolidated assets and gross revenues that are located in or derived from the United States.