
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 (FBOs) 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.

Unless otherwise noted in these instructions, the term FBO includes a foreign financial holding company (FHC).

An FBO that is not an FHC should file the FR Y-7A for the first fiscal year end subsequent to it becoming an FBO. The report should be filed for the FBO and all reportable companies held directly or indirectly through subsidiaries at that time. On the cover page of the report, enter the institution's fiscal year end. A new FBO that simultaneously becomes an FHC must file a complete FR Y-7A within 30 calendar days of the date that its declaration to be an FHC was deemed to be effective. The report should be filed for the FBO and for all reportable subsidiaries held directly or indirectly through subsidiaries at that time. For the FBO's fiscal year ends subsequent to the initial filing, the Reserve Bank will provide a facsimile confirmation report (FCR) containing the information previously submitted. The FBO 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 offices, companies, and activities 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.

An existing FBO that has elected to become an FHC and whose declaration has been deemed to be effective must provide updates and corrections to the data reported in the last annual filing of the FR Y-7/Y-7A, within 30 calendar days of becoming an FHC.

After its initial filing as an FHC, the FBO should file FR Y-7A reports with the Federal Reserve on an event-generated basis within 30 calendar days of the effective date of any new activity commenced or investment made under its FHC authority. All other activities and investments should continue to be reported annually.

An FCR will be provided annually to the FBOs to confirm the information currently on file with the Federal Reserve.

Companies and Offices Reportable on the FR Y-7A

- The top-tier FBO itself (cover page) and intermediate tier FBOs (Report item 2);
- U.S. branches, agencies, and representative offices of each FBO that is itself a foreign bank;
- U.S. bank holding companies (BHCs), banks, Edge corporations, agreement corporations, and commercial lending companies, which the FBO, directly or indirectly through a controlled company, owns or controls in excess of 5 percent of any class of voting securities;¹

1. See Glossary.

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- U.S. banks and BHCs which the FBO, directly or indirectly through a controlled company, owns or controls 25 percent or more of any class of non-voting equity¹;
 - U.S. banks and BHCs held by the FBO, 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 FBO, 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 FBO directly or indirectly owns or controls in excess of 5 percent of any class of voting securities or their equivalent. Included among these are: companies which were acquired in the regular course of collecting a debt previously contracted in good faith; companies which were established or acquired 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 companies which are held in a fiduciary capacity where the shares are held for the benefit of the FBO, or its shareholders or its employees;
 - Companies engaged in any activity deemed “financial in nature” under section 4(k) of the BHC Act;
 - insurance underwriting and sales;
 - securities underwriting and dealing;
 - merchant banking activities;
 - direct and indirect merchant banking investments held or made by qualified affiliates of financial holding companies
 - other “financial in nature” activities;
 - Companies engaged in any “incidental” activity;
 - Companies engaged in any “complementary” activity;
 - Companies held directly by a subsidiary that is a Small Business Investment Company registered with the Small Business Administration;
 - Qualified Savings Bank as defined in Section 2(m) of the BHC Act.
 - General or limited partnerships in which the interests are considered the equivalent of voting securities pursuant to Section 225.2(q)(1) of Regulation Y because the investor:
 - is a general partner,
 - is entitled to vote for or select partners, directors, or trustees (or other persons exercising a similar function of the issuing partnership),
 - is entitled to vote on or direct the conduct of the operations or other significant policies of the partnership;
 - Companies in which the FBO owns or controls 25 percent or more of the total equity;
 - Companies that are subject to the divestiture provisions of the Gramm–Leach–Bliley Act of 1999;
 - Financial subsidiaries²;
 - Direct U.S. offices through which the FBO conducts nonbanking activities;
 - U.S. companies and non-U.S. companies engaged in business in the United States which the FBO otherwise controls or manages.
 - 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 FBO subsequent to their acquisition.
 - Non-U.S. subsidiaries of the FBO that are direct or indirect holders of any of the above companies.
- Do not report the following:*
- Assets other than shares of a company;
 - Banks or BHCs in which the ownership interest or control is 5 percent or less of any class of voting shares,¹ or less than 25 percent of any class of non-voting shares and are not otherwise controlled;
 - Nonbank companies in which the sole ownership interest or control is through nonvoting equity;
 - Companies that are owned or controlled by U.S. BHCs and are reported on the form FR Y-6A, Report of Changes in U.S. Investments and Activities of top-tier FHCs, BHCs, and State Member Banks, or on form

2. For purposes of this report, a “Financial Subsidiary” is a subsidiary as defined in Section 121 of the GLBA of 1999 or Section 208.77(d) of Regulation H (12 C.F.R. 208.77(d)) or a subsidiary of a state member bank.

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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;
- 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 FBO must be reported. These transactions include: acquisitions, mergers, divestitures, transfers, name or location changes, FHC elections, identification of “functionally regulated” subsidiaries and their functional regulator, changes in the status of a commercial bank as a financial subsidiary holder, legal authority changes, and corrections to incorrectly reported information. If the reporter is an FHC, it must provide information related to any new activities commenced or investments made under its FHC authority to the appropriate Reserve Bank within 30 calendar days of a change.

Once an investment is deemed reportable, all other voting and nonvoting shares held directly by the FBO or through a subsidiary are reportable.

Tiered FBOs

Top-tier FBOs are required to prepare and file the FR Y-7A in accordance with these instructions to reflect an accurate presentation of the FBO’s organizational structure. The top-tier FBO is responsible for the accuracy, completeness and timeliness of separate filings of tiered FBOs.

Amended Reports

The Federal Reserve may require the filing of amended pages of the 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 FBO may request confidential treatment if the FBO 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 FBO 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 FBO 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 FBO through the appropriate

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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 FBO 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, an FBO

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 FBO should follow the procedures on confidentiality set out above in filing additional information to the report.

U.S. Banking Activities

Report Item 1—Continued

8. For commercial banks only: Indicate whether or not the organization is a financial subsidiary holder
Yes No ____/____/____ Use date when consummated.
Effective date
9. Control Indicator (respond Yes or No to *each*)
- a. Controlled by this direct holder
Yes No
- b. Controlled in the aggregate within the FBO, directly or indirectly, through subsidiaries.
Yes No
10. Organization Type _____
(1 = Corporation, 2 = General Partnership, 3 = Limited Partnership, 4 = Business Trust,
5 = Sole Proprietorship, 6 = Mutual, 9 = Cooperative, 10 = Limited Liability Partnership,
11 = Limited Liability Corporation, 99 = Other (provide explanation)).
11. _____
Legal Authority⁹

9. 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.

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 FBO, directly or indirectly, through subsidiaries.
Yes No
9. Organization Type _____
(1 = Corporation, 2 = General Partnership, 3 = Limited Partnership, 4 = Business Trust,
5 = Sole Proprietorship, 6 = Mutual, 9 = Cooperative, 10 = Limited Liability Partnership,
11 = Limited Liability Corporation, 99 = Other (provide explanation)).
10. Primary regulator of a functionally regulated subsidiary: _____
Identify the primary regulator that supervises each functionally regulated company⁸ (excluding depository institutions) of the FBO. If the company is not functionally regulated, report zero.
(0 = NA, 1 = Securities and Exchange Commission (SEC) and Commodity Futures Trading Commission (CFTC),
2 = SEC, 3 = State securities department, 4 = State insurance commission, 5 = CFTC, 6 = Other)
11. _____
Legal Authority⁹
12. Financial Subsidiary indicator Yes No
Indicate whether or not the company is a financial subsidiary and report the effective date of the companies' status as a financial subsidiary.¹⁰
- _____/_____/_____
Effective date

8. For purposes of this subsection, the term 'functionally regulated subsidiary' means any company—
(A) that is not a bank holding company or a depository institution; and
(B) that is—
(i) a broker or dealer that is registered under the Securities and Exchange Act of 1934;
(ii) a registered investment adviser; properly registered by or on behalf of either the Securities and Exchange Commission or any State, with respect to the investment advisory activities of such investment adviser and activities incidental to such investment advisory activities;
(iii) an investment company that is registered under the Investment Company Act of 1940;
(iv) an insurance company, with respect to insurance activities of the insurance company and activities incidental to such insurance activities, that is subject to supervision by a State insurance regulator; or

(v) an entity that is subject to regulation by the Commodity Futures Trading Commission, with respect to the commodities activities of such entity and activities incidental to such commodities activities.

9. 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.

10. For purposes of this report, a "Financial Subsidiary" is a subsidiary as defined in Section 121 of the GLBA of 1999, or Section 208.77(d) of Regulation H (12 C.F.R. 208.77(d)) or a subsidiary of a State Member Bank.

U.S. Nonbanking Activities

Report Item 2 —Continued

13. Activity Code(s)¹¹ _____

a. Description of activity _____

b. For a U.S. Company engaging in activities in reliance on Section 2(h)(2) of the BHC Act and 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

14. Business Measurement Test (Provide the dollar amounts and percents, as applicable)¹²

11. 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 13 is not necessary when the information being provided is for a non-U.S. company in which the reporting foreign 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.

12. When the foreign banking organization engages in business in the United States in reliance on Section 2(h)(2) or Section 4(c)(9) of the BHC Act and Section 211.23(f)(5) 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.