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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. These include non-U.S. companies engaged in business in the United States and U.S. companies. Beginning with the filing of the FR Y-7A for the fiscal year that ends on December 31, 1995 and thereafter, foreign banking organizations should fully complete Report Items 1 and 2.

In future years the Reserve Bank will provide the foreign banking organization with a copy of a printout of the information previously provided in response to Report Items 1 and 2 at the end of the foreign banking organization's fiscal year. At that time, the foreign banking organization should review the printout for accuracy and completeness and report any changes or corrections to the Reserve Bank as part of its FR Y-7 filing for that year.

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 FRY-7A

- The foreign banking organization itself (cover page);
- All U.S. branches, agencies, and representative offices of each foreign banking organization that is itself a foreign bank;
- All 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;
- All 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;
- All 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;
- All U.S. companies, including limited and general partnerships, and all 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. These include securities which are: (i) acquired in the regular course of collecting a debt contracted in good faith; and (ii) held in a fiduciary capacity where the shares are held for the benefit of the foreign banking organization, or its shareholder or its employees;
- All U.S. companies established by the foreign banking organization or its subsidiaries to hold assets acquired through the regular course of collecting a debt contracted in good faith, if the foreign banking organization will directly or indirectly own or control in excess of 5 percent of any class of voting securities;
- All direct U.S. offices through which the foreign banking organization conducts nonbanking activities;
- All U.S. companies and non-U.S. companies engaged in business in the United States which the foreign

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# General Instructions

banking organization, directly or indirectly through a controlled company, otherwise controls.

*Do not report the following:*

- Shares of banks or bank holding companies in which the ownership interest or control is 5 percent or less of any class of voting shares, or less than 25 percent of any class of non-voting shares;
- Shares of nonbank companies in which the sole ownership interest or control is through non-voting equity;
- Shares of companies that are 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;
- Shares of non-U.S. companies that do not have U.S. activities directly through a U.S. office or indirectly through a U.S. subsidiary;
- Shares of companies set up as shell organizations or name-saving organizations that have not yet engaged in any business activities;
- Activities that have been approved but not yet commenced; and
- Shares of 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.

## 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 company 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 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.

### Changes to Other Characteristics

- 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; and
- Changes to the physical address of the reporting foreign banking organization, or any reportable company within the foreign banking organization. These characteristics include country, city, state, street address, and zip code.

### 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.

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# 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 in accordance with these instructions to reflect an accurate presentation of the foreign banking organization's organizational structure.

## **Amended Reports**

The Federal Reserve may require the filing of an amended Foreign Banking Organization Structure Report on U.S. Banking and Nonbanking Activities 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.

A separate letter requesting confidential treatment must be submitted with this report and must discuss in detail the justification for each portion for which confidentiality is requested, demonstrating the specific nature of the harm that would result from public release of the information; merely stating that competitive harm would result or that information is personal is not sufficient.

Information for which confidential treatment is requested should be reported in a separately bound submission labeled "confidential." This information should be specifically identified in the report as having been submitted separately in the confidential section.

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 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 supplemental information to the report.

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# U.S. Nonbanking Activities

## Report Item 2—Continued

8. \_\_\_\_\_  
Legal Authority<sup>5</sup>
9. Activity Code(s)<sup>6</sup> \_\_\_\_\_
- a. Description of activity \_\_\_\_\_  
\_\_\_\_\_
- b. For a U.S. Company engaging in activities in reliance on Section 211.23(f)(5)(iii) of Regulation K, does its non-U.S. parent company engage directly or indirectly in the same or related activities abroad?  
 Yes     No
10. Business Measurement Test (Provide the dollar amounts and percents, as applicable)<sup>7</sup>  
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5. 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.

6. a. For U.S. companies engaged in financial activities, provide the alpha-numeric code from the BHC Activity Code Manual. For U.S. and non-U.S. companies engaged in commercial activities, provide the four digit SIC code from the Standard Industrial Classification Code Manual.

b. A response to item 9 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, unless the non-U.S. company is engaged, directly or indirectly, in the business of underwriting, selling, or distributing securities in the United States.

7. When the foreign banking organization engages in business in the United States in reliance on Section 2(h)(2) of the Bank Holding Company 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.