

**Supporting Statement for the
Complex Institution Liquidity Monitoring Report
(FR 2052a; OMB No. 7100-0361)**

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 Complex Institution Liquidity Monitoring Report (FR 2052a; OMB No. 7100-0361). The FR 2052a collects quantitative information on select assets, liabilities, funding activities, and contingent liabilities of certain large banking organizations with \$100 billion or more in total consolidated assets that are supervised by the Board on a consolidated basis, defined as banking organizations subject to Category I, II, III, or IV standards under the Board’s Regulation YY – Enhanced Prudential Standards (Regulation YY) – and under the Board’s Regulation LL – Savings and Loan Holding Companies (Regulation LL).¹ The Board uses this information to monitor the liquidity profile of these banking organizations.

The Board adopted revisions to the FR 2052a by changing the definition of the term “transactional accounts” to include a subset of transaction accounts recently added to the definition of “transaction accounts” under the Board’s Regulation D – Reserve Requirements of Depository Institutions (Regulation D). In addition, the Board revised the FR 2052a to collect information and data related to the requirements of the Net Stable Funding Ratio (NSFR) final rule (NSFR rule) by: (1) adding certain new data field definitions; (2) adding clarifying language to parts of the instructions; (3) adding certain new data categories; (4) reclassifying certain existing data categories; and (5) streamlining certain existing language in the instructions. In addition, the Board adopted other minor clarifications and conforming edits to the form and instructions to address industry inquiries. The revisions will be effective May 1, 2022, for banking organizations subject to Category I standards and October 1, 2022, for banking organizations subject to Category II-IV standards.

The current estimated total annual burden for the FR 2052a is 862,440 hours and would increase to 873,712 hours. The adopted revisions would result in an estimated burden increase of 11,272 hours. The FR 2052a form and instructions are available on the Board’s public website at <https://www.federalreserve.gov/apps/reportforms/default.aspx>.

Background

The FR 2052a provides timely data to identify and monitor liquidity risks at large U.S. banking organizations and foreign banking organizations with a significant U.S. presence and in aggregate across the financial system, especially with respect to intra-company flows and exposures within a consolidated banking organization. The FR 2052a gathers data disaggregated by material legal entity (e.g., parent company, broker/dealer entities, and bank entities) in a manner that provides meaningful insight into a banking organization’s liquidity profile.

The data collected by the FR 2052a provide detailed information about the liquidity risks

¹ 12 CFR 252.2; 12 CFR 238.10.

within different business lines (e.g., financing of securities positions or prime brokerage activities) of certain large banking organizations supervised by the Board. The Board's supervisory surveillance program relies on this data, which provide timely information about banking organization-specific liquidity risks during periods of stress. The Board uses analyses of liquidity risk to inform its supervisory processes, including the preparation of analytical reports that detail funding vulnerabilities. FR 2052a data also contribute to the Board's supervisory monitoring efforts by identifying potential impediments to the movement of liquidity across legal entities. In addition, the FR 2052a provides detailed information that the Board uses to monitor compliance with its Liquidity Coverage Ratio (LCR) and NSFR rules. The information collected through the FR 2052a is not available from other sources.

Description of Information Collection

The FR 2052a collects data regarding inflows, outflows, and supplemental items, subdivided into 10 distinct data categories. These categories are designed to stratify the assets, liabilities, and supplemental components of a banking organization's liquidity risk profile based on products that can be described with common data structures while maintaining a coherent framework for liquidity risk reporting.

The FR 2052a data categories also cover broad funding classifications by product, outstanding balance, and purpose, each segmented by maturity date. Generally, the data categories are classified as follows:

- **Inflows-Assets:** Banking organizations report assets such as unencumbered assets, borrowing capacity from central banks or Federal Home Loan Banks (FHLBs), unrestricted reserve balances at central banks, restricted reserve balances at central banks, unsettled asset purchases, and forward asset purchases.
- **Inflows-Unsecured:** Banking organizations report unsecured inflow transactions such as onshore placements, offshore placements, required operational balances, excess operational balances, outstanding draws on revolving facilities, and other unsecured loans.
- **Inflows-Secured:** Banking organizations report secured inflow transactions such as reverse repurchase agreements, securities borrowing transactions, dollar rolls, collateral swaps, margin loans, other secured loans where the collateral is rehypothecable, and other secured loans where the collateral is not rehypothecable.
- **Inflows-Other:** Banking organizations report other inflow transactions such as derivatives receivables, collateral called for receipt, sales in the to-be-announced market, undrawn committed facilities purchased, lock-up balances, interest and dividends receivables, a net 30-day derivatives receivables measure, principal payments receivable on unencumbered investment securities, and other inflow transactions.
- **Outflows-Wholesale:** Banking organizations report wholesale outflow transactions such as asset-backed commercial paper single-seller outflows, asset-back commercial paper multi-seller outflows, collateralized commercial paper, asset-backed securities, covered bonds, tender option bonds, other asset-backed financing, commercial paper, onshore borrowing, offshore borrowing, unstructured long-term debt, structured long-term debt, government supported debt, unsecured notes, structured notes, wholesale

certificates of deposit, draws on committed facilities, free credits, and other unsecured wholesale outflow transactions.

- **Outflows-Secured:** Banking organizations report secured outflow transactions such as repurchase agreements, securities lending transactions, dollar rolls, collateral swaps, FHLB advances, outstanding secured funding from facilities at central banks, customer short transactions, firm short transactions, and other secured outflow transactions.
- **Outflows-Deposits:** Banking organizations report deposit outflow transactions such as transactional accounts, non-transactional relationship accounts, non-transactional non-relationship accounts, operational accounts, non-operational accounts, operational escrow accounts, non-reciprocal brokered accounts, affiliated sweep accounts, non-affiliated sweep accounts, other product sweep accounts, reciprocal accounts, other third-party deposits, and other deposit accounts.
- **Outflows-Other:** Banking organizations report other outflow transactions such as derivatives payables, collateral called for delivery, purchases in the to-be-announced market, credit facilities, liquidity facilities, retail mortgage commitments, trade finance instruments, potential derivative valuation changes, loss of rehypothecation rights and collateral required due to changes in financial condition, excess customer margin, commitments to lend on margin to customers, interest and dividends payables, a net 30-day derivatives payables measure, other outflows related to structured transactions, and other cash outflow transactions.
- **Supplemental-Informational:** Banking organizations report supplemental information such as initial margin posted and received, variation margin posted and received, collateral dispute receivables and deliverables, collateral that may need to be delivered, collateral that the banking organization could request to be received, collateral that could be substituted by the banking organization or a counterparty, long and short market value of client assets, gross client wires received and paid, subsidiary liquidity that cannot be transferred, Federal Reserve Act section 23A capacity,² outflows or inflows from closing out hedges early, and potential outflows from non-structured or structured debt maturing beyond 30 days where the banking organization is the primary market maker in that debt.
- **Supplemental-Foreign Exchange:** Banking organizations report foreign exchange information such as foreign exchange spot, forwards and futures, and swap transactions.

Respondent Panel

The FR 2052a is filed by banking organizations subject to Category I, II, III, or IV standards under the Board's Regulation YY and Regulation LL. This includes (1) any top-tier U.S. bank holding company with \$100 billion or more in total consolidated assets that is not a subsidiary of a foreign banking organization, (2) any top-tier U.S. savings and loan holding company with \$100 billion or more in total consolidated assets that is a covered depository institution holding company as defined by the LCR and NSFR rules and is not a subsidiary of a foreign banking organization, and (3) any foreign banking organization, as defined by the Board's Regulation YY,

² See 12 U.S.C. § 371c (limiting the aggregate amount of covered transactions between an insured depository institution and its affiliates).

with combined U.S. assets of \$100 billion or more.

Adopted Revisions to the FR 2052a

In April 2020, the Board issued an interim final rule that amended the Board’s Regulation D.³ The Regulation D amendment expanded the Regulation D definition of transaction accounts to permit the inclusion of accounts that were formerly subject to transfer limit requirements. For purposes of the FR 2052a, the Board changed the term “transactional accounts” to include a subset of transaction accounts as defined under Regulation D, where the depositor is not required by the deposit contract to give written notice of an intended withdrawal. Specifically, the Board updated the definition for the FR 2052a data element field “O.D.1: Transactional Accounts,” to reflect this change.

In June 2016, the Board, the Federal Deposit Insurance Corporation (FDIC), and the Office of the Comptroller of the Currency (OCC) (collectively, the agencies) proposed the NSFR rule to implement a stable funding requirement⁴ for certain large banking organizations that were subject to the LCR rule⁵ at that time. The proposed NSFR rule would have introduced a quantitative metric to measure a banking organization’s funding stability over a one-year time horizon. The agencies issued two proposals subsequent to the issuance of the proposed NSFR rule to revise the criteria for determining the scope of application of the NSFR requirement (tailoring proposals).⁶ The Board finalized the tailoring proposals in October 2019 (tailoring final rules).⁷ The agencies issued an NSFR final rule on October 20, 2020, that is generally similar to the proposed NSFR rule, with certain adjustments.⁸ The adopted FR 2052a revisions, discussed in detail below, are consistent with the requirements of the NSFR rule.

The Board adopted the following revisions to the reporting form and instructions of the FR 2052a to accurately reflect the NSFR rule and to capture other data elements necessary to monitor banking organizations’ liquidity positions and compliance with Liquidity Risk Measurement (LRM) Standards. Specifically, the Board added:

1. The definition of Liquidity Risk Measurement Standards and other clarifications under “General Instructions.”
2. Clarifications and regulation references under “Field Definitions.”
3. The following Counterparty types under “Field Definitions”: Pension Fund; Broker-Dealer; Investment Company or Advisor; Financial Market Utility; Other Supervised Non-Bank Financial Entity; and Non-Regulated Fund, and removed Supervised Non-Bank Financial Entity and Other Financial Entity.

³ 85 FR 23445 (April 28, 2020).

⁴ 81 FR 35124 (June 1, 2016).

⁵ 12 CFR Part 50 (OCC); 12 CFR Part 249 (Board); 12 CFR Part 329 (FDIC).

⁶ See Proposed Changes to Applicability Thresholds for Regulatory Capital and Liquidity Requirements, 83 FR 66024 (December 21, 2018) (domestic tailoring proposal); Changes to Applicability Thresholds for Regulatory Capital Requirements for Certain U.S. Subsidiaries of Foreign Banking Organizations and Application of Liquidity Requirements to Foreign Banking Organizations, Certain U.S. Depository Institution Holding Companies, and Certain Depository Institution Subsidiaries, 84 FR 24296 (May 24, 2019) (FBO tailoring proposal). The agencies indicated that comments regarding the proposed NSFR rule would be addressed in the context of a final rule to adopt a NSFR requirement for large U.S. banking organizations and foreign banking organizations.

⁷ 84 FR 59230 and 84 FR 59032 (November 1, 2019).

⁸ 86 FR 9120 (February 11, 2021).

4. The following fields under “Field Definitions”: Business Line; Risk Weight; Collection Reference; Product Reference; Sub-product Reference; Netting Eligible; Encumbrance Type; Collateral Level; Accounting Designation; Loss Absorbency; G-SIB; Maturity Optionality; and removed Prime Brokerage.
5. A sentence to the description of “flags” under the field “Settlement”: “FICC: secured financing transactions that are cleared and novated to the Fixed Income Clearing Corporation (FICC).”
6. The following language to the “Triparty” flag under the field “Settlement”: “excluding transactions that originate on the tri-party platform, but are novated to FICC (e.g., the General Collateral Finance repo service).”
7. The following language to the “Bilateral” flag under the field “Settlement”: “(excludes transactions that are initiated bilaterally, but subsequently cleared (e.g., FICC delivery-vs-payment transactions).”
8. Clarifications to the general guidance, names, and definitions of products under “I.A: Inflows-Assets”; “I.U: Inflows-Unsecured”; “I.S: Inflows-Secured”; “I.O: Inflows-Other”; “O.W: Outflows-Wholesale”; “O.S: Outflows-Secured”; “O.D: Outflows-Deposits”; “O.O: Outflows-Other”; and “S.FX: Supplemental-Foreign Exchange”.
9. I.A.7: Encumbered Assets, which refers to encumbered assets of which the reporting entity is the beneficial owner (i.e., the assets are represented on the accounting balance sheet), that are not otherwise captured under other FR 2052a balance sheet products in the I.A, I.U, or I.S tables.
10. I.U.7: Cash Items in the Process of Collection, which refers to certain items that are customarily cleared or collected as cash items by depository institutions in the country where the reporting entity’s office that is clearing or collecting the item is located.
11. I.U.8: Short-Term Investments, which refers to balances, including, but not limited to time deposits, that are held as short-term investments (e.g., reported in schedule HC-B on the Board’s Consolidated Financial Statements for Holding Companies (FR Y-9C)) at external financial counterparties.
12. I.S.7: Outstanding Draws on Secured Revolving Facilities, which refers to the existing loan arising from the drawn portion of a revolving facility (e.g., a general working capital facility) extended by the reporting entity, where the facility is secured by a lien on an asset or pool of assets.
13. I.S.8: Other Secured Loans (Non-Rehypothecable), which refers to all other secured lending that does not otherwise meet the definitions of the other Inflows-Secured products, for which the collateral received is not contractually rehypothecable.
14. I.S.9: Synthetic Customer Longs, which refers to total return swaps booked in client accounts, where the reporting entity is economically short the underlying reference asset and the client is economically long.
15. I.S.10: Synthetic Firm Sourcing, which refers to total return swaps that are not booked in client accounts, where the reporting entity is economically short the underlying reference asset and the counterparty is economically long.
16. O.S.9: Synthetic Customer Shorts, which refers to total return swaps booked in client accounts, where the reporting entity is economically long the underlying reference asset and the client is economically short.
17. O.S.10: Synthetic Firm Financing, which refers to total return swaps that are not

- booked in client accounts, where the reporting entity is economically long the underlying reference asset and the counterparty is economically short.
18. O.D.5: Excess Balances in Operational Accounts, which refers to deposits from counterparties that are not Retail or Small Business customers that are excluded from the reporting entity's operational deposit amount based on the reporting entity's methodology for identifying excess balances pursuant to 12 CFR 249.4(b)(5).
 19. O.D.9: Stable Affiliated Sweep Account Balances, which refers to stable deposit balances held at the reporting entity by a customer or counterparty through a contractual feature that automatically transfers to the reporting entity from an affiliated financial company at the close of each business day the amounts identified under the agreement governing the account from which the amount is being transferred.
 20. O.D.10: Less Stable Affiliated Sweep Account Balances, which refers to all other deposit balances, excluding those reported under O.D.9: Stable Affiliated Sweep Account Balances, that are held at the reporting entity by a customer or counterparty as a result of a contractual feature that automatically transfers to the reporting entity from an affiliated financial company at the close of each business day the amounts identified under the agreement governing the account from which the amount is being transferred.
 21. S.DC: Supplemental-Derivatives and Collateral table and the associated elements below.
 22. S.DC General Guidance, which defines the scope of products to be reported in the Supplemental-Derivatives and Collateral table.
 23. S.DC.1: Gross Derivative Asset Values, which refers to the aggregate value of derivative transactions not subject to qualifying master netting agreements that are assets and the net value of derivative transactions within qualifying master netting agreements where the netting sets are assets.
 24. S.DC.2: Gross Derivative Liability Values, which refers to the aggregate value of derivative transactions not subject to qualifying master netting agreements that are liabilities and the net value of derivative transactions within qualifying master netting agreements where the netting sets are liabilities.
 25. S.DC.3: Derivative Settlement Payments Delivered, which refers to the cumulative value of payments delivered as variation margin on outstanding derivative contracts for the purpose of settling a change in the market value of the contract (e.g., "settled-to-market" derivatives).
 26. S.DC.4: Derivative Settlement Payments Received, which refers to the cumulative value of payments received as variation margin on outstanding derivative contracts for the purpose of settling a change in the market value of the contract (e.g., "settled-to-market" derivatives).
 27. S.DC.11: Derivative CCP Default Fund Contribution, which refers to the reporting entity's contributions to a central counterparty's mutualized loss-sharing arrangement, where the reporting entity's clearing activity with the central counterparty includes derivative transactions.
 28. S.DC.12: Other CCP Pledges and Contributions, which refers to the reporting entity's asset pledges (e.g., in the form of initial margin) and contributions to a central counterparty's mutualized loss sharing arrangement, where the reporting

- entity's clearing and/or settlement activity with the central counterparty does not include derivative transactions.
29. S.L: Supplemental LRM table and the associated elements below.
 30. S.L.2: Subsidiary Liquidity Available for Transfer, which refers to the amount of excess eligible high-quality liquid assets (HQLA) that is held at a subsidiary of the consolidated reporting entity that is determined as transferrable as per sections 22(b)(3)(i)(B), 22(b)(3)(ii)(B) or 22(b)(4)(ii) of the LRM Standards.
 31. S.L.6: Liquidity Coverage Ratio, which refers to the reporting entity's LCR calculation, as specified in section 10(c) of the LRM Standards. Only reporting entities that are subject to the LCR on a standalone basis per section 1 of the LRM Standards are required to report this product.
 32. S.L.7: Subsidiary Funding That Cannot be Transferred, which refers to the amount of stable funding at a reporting entity's subsidiary that is in excess of the required stable funding amount of that subsidiary, pursuant to the LRM Standards, but cannot be transferred to the reporting entity due to statutory, regulatory, contractual or supervisory restrictions. Only reporting entities that are subject to the NSFR on a standalone basis per section 1 of the LRM Standards are required to report this product.
 33. S.L.8: Subsidiary Funding Available for Transfer, which refers to the amount of stable funding at a reporting entity's subsidiary that is in excess of the required stable funding amount of that subsidiary, pursuant to the LRM Standards, that is determined as transferrable as per section 108(a)(2) of the LRM Standards. Do not include stable funding that is determined transferrable based on the subsidiary's own requirement (i.e., as per section 108(a)(1) of the LRM Standards). Only reporting entities that are subject to the NSFR on a standalone basis per section 1 of the LRM Standards are required to report this product.
 34. S.L.9: Additional Funding Requirement for Off-Balance Sheet Rehypothecated Assets, which refers to a reporting entity's required stable funding amount under section 106(d)(3) of the LRM Standards. Use the [Collateral Class] field to indicate the type of asset that has been rehypothecated. Only reporting entities that are subject to the NSFR on a standalone basis per section 1 of the LRM Standards are required to report this product.
 35. S.L.10: Net Stable Funding Ratio, which refers to the reporting entity's NSFR calculation, as specified in section 100(b) of the LRM Standards. Only reporting entities that are subject to the NSFR on a standalone basis per section 1 of the LRM Standards are required to report this product.
 36. S.B: Supplemental-Balance Sheet table and the associated elements below.
 37. S.B: General Guidance, which explains that the products S.B.1 through S.B.6 represent data elements that are necessary, in tandem with other FR 2052a balance sheet products, to construct an accounting balance sheet.
 38. S.B.1: Regulatory Capital Element, which refers to the carrying value of regulatory capital, as defined in section 3 of the LRM Standards, excluding capital instruments already reported in the O.W. table.
 39. S.B.2: Other Liabilities, which refers to all other liabilities not otherwise captured under other FR 2052a balance sheet products, including intangible liabilities.
 40. S.B.3: Non-Performing Assets, which refers to assets that are past due by more than 90 days or non-accrual.

41. S.B.4: Other Assets, which refers to all other assets not otherwise captured under other FR 2052a balance sheet products, including intangible, life insurance and deferred tax assets.
42. S.B.5: Counterparty Netting, which refers to the value of offsetting of payables and receivables with a single counterparty permissible under section 102 of the LRM Standards that are otherwise reported on a gross basis for the purpose of the FR 2052a.
43. S.B.6: Carrying Value Adjustment, which refers to all other adjustments to the value of FR 2052a balance sheet products necessary to arrive at the carrying value consistent with section 102 of the LRM Standards.
44. The following language to the description of “S.I.3: Gross Client Wires Received,”: “Include transfers of both cash and securities. Use the [Collateral Class] field to differentiate between asset categories.”
45. The following language to the description of “S.I.4: Gross Client Wires Paid,”: “Include transfers of both cash and securities. Use the [Collateral Class] field to differentiate between asset categories.”
46. S.I.6: Subsidiary Liquidity Not Transferrable, which refers to, for U.S. banking organizations that are identified as Category IV banking organizations and foreign banking organizations that are identified as Category IV foreign banking organizations, a report of the amount of highly liquid assets of each reporting entity’s consolidated subsidiaries that are in excess of the subsidiary’s modeled net outflows over a 30-day planning horizon and would not be freely transferrable to the parent company due to statutory, regulatory, contractual, or supervisory restrictions (including sections 23A and 23B of the Federal Reserve Act and the Board’s Regulation W).

Additionally, the Board reclassified the following from the Supplemental Information table to the new Supplemental-Derivatives and Collateral and LRM tables:

1. S.DC.5: Initial Margin Posted – House, which refers to the fair value of collateral that the reporting entity has posted (total stock by applicable [Collateral Class]) to its counterparties as initial margin on its own proprietary derivatives positions.
2. S.DC.6: Initial Margin Posted – Customer, which refers to the fair value of collateral that the reporting entity has posted (total stock by applicable [Collateral Class]) to its counterparties as initial margin on behalf of customers.
3. S.DC.7: Initial Margin Received, which refers to the fair value of collateral that the reporting entity has received (total stock by applicable [Collateral Class]) from its counterparties as initial margin against both house and customer positions.
4. S.DC.8: Variation Margin Posted – House, which refers to the fair value of collateral that the reporting entity has posted (total stock by applicable [Collateral Class]) to its counterparties as variation margin on its own proprietary derivatives positions.
5. S.DC.9: Variation Margin Posted – Customer, which refers to the fair value of collateral that the reporting entity has posted (total stock by applicable [Collateral Class]) to its counterparties as variation margin on behalf of customers.
6. S.DC.10: Variation Margin Received, which refers to the fair value of collateral that the reporting entity has received (total stock by applicable [Collateral Class]) from its counterparties as variation margin against both house and customer positions.

7. S.DC.13: Collateral Disputes Deliverables, which refers to the fair value of collateral called by the reporting entity's counterparties that the reporting entity has yet to deliver due to a dispute. Disputes include, but are not limited to, valuation of derivative contracts.
8. S.DC.14: Collateral Disputes Receivables, which refers to the fair value of collateral that the reporting entity has called from its counterparties, but has not yet received due to a dispute. Disputes include, but are not limited to, valuation of derivative contracts.
9. S.DC.15: Sleeper Collateral Deliverables, which refers to the fair value of unsegregated collateral that the reporting entity may be required by contract to return to a counterparty because the collateral currently held by the reporting entity exceeds the counterparty's current collateral requirements under the governing contract.
10. S.DC.16: Required Collateral Deliverables, which refers to the fair value of collateral that the reporting entity is contractually obligated to post to a counterparty, but has not yet posted as it has not yet been called by the reporting entity's counterparty.
11. S.DC.17: Sleeper Collateral Receivables, which refers to the fair value of collateral that the reporting entity could call for or otherwise reclaim under legal documentation, but has not yet been called.
12. S.DC.18: Derivative Collateral Substitution Risk, which refers to the potential funding risk arising from the reporting entity's derivative counterparties having the contractual ability to substitute collateral with higher liquidity value currently held by the reporting entity with collateral of lower liquidity value or collateral that the reporting entity cannot monetize either due to liquidity or operational constraints.
13. S.DC.19: Derivative Collateral Substitution Capacity, which refers to the potential funding capacity arising from the reporting entity's contractual ability to substitute collateral with higher liquidity value currently posted to a derivatives counterparty with collateral of lower liquidity value.
14. S.DC.20: Other Collateral Substitution Risk, which refers to the potential funding risk arising from the reporting entity's counterparties of non-derivative transactions having the contractual ability to substitute collateral with higher liquidity value currently held by the reporting entity with collateral of lower liquidity value or collateral that the reporting entity cannot monetize either due to liquidity or operational constraints.
15. S.DC.21: Other Collateral Substitution Capacity, which refers to the potential funding capacity arising from the reporting entity's contractual ability to substitute collateral with higher liquidity value currently posted to a counterparty of a non-derivative transaction with collateral of lower liquidity value.
16. S.L.1: Subsidiary Liquidity That Cannot be Transferred, which refers to the amount of assets of each reporting entity's consolidated subsidiaries that is in excess of the net outflows, calculated pursuant to the LRM Standards, of that consolidated subsidiary that is not freely transferrable to affiliates due to statutory, regulatory, contractual, or supervisory restrictions (including sections 23A and 23B of the Federal Reserve Act and Regulation W).
17. S.L.3: Unencumbered Asset Hedges – Early Termination Outflows, which refers to all cash outflows that would arise from the early termination of a hedge associated

with eligible HQLA, as defined in the LRM Standards, reported in the Inflows-Assets table.

18. S.L.4: Non-Structured Debt Maturing in Greater than 30-days – Primary Market Maker, which refers to the debt security buyback outflow amount set forth in the LRM Standards for the reporting entity’s non-structured debt issuances.
19. S.L.5: Structured Debt Maturing in Greater than 30-days – Primary Market Maker, which refers to the debt security buyback outflow amount set forth in the LRM Standards for the reporting entity’s structured debt issuances.

Lastly, the Board removed the following sentence from the instructions due to the addition of a data element for the NSFR rule:

1. In the “General Guidance” paragraphs under the I.U: Inflows-Unsecured and I.S: Inflows-Secured headings: “Exclude assets that secure Covered Federal Reserve Facility Funding.”

The Board determined that these adopted revisions to the FR 2052a should be implemented with an effective date of May 1, 2022, for banking organizations subject to Category I standards and October 1, 2022, for banking organizations subject to Category II-IV standards, which would provide banking organizations with sufficient time to update their internal reporting processes and systems.

Time Schedule for Information Collection

For U.S. Banking Organizations:

U.S. banking organizations that are identified as (i) global systemically important bank holding companies, (ii) banking organizations subject to Category II standards, or (iii) banking organizations subject to Category III standards with average weighted short-term wholesale funding of \$75 billion or more must submit a report on each business day.

U.S. banking organizations that are identified as (i) banking organizations subject to Category III standards with average weighted short-term wholesale funding of less than \$75 billion, or (ii) banking organizations subject to Category IV standards must submit a report monthly.

For Foreign Banking Organizations:

Foreign banking organizations identified as (i) foreign banking organizations subject to Category II standards, or (ii) foreign banking organizations subject to Category III standards with average weighted short-term wholesale funding of \$75 billion or more must submit a report on each business day.

Foreign banking organizations identified as (i) foreign banking organizations subject to Category III standards with average weighted short-term wholesale funding of less than \$75 billion, or (ii) foreign banking organizations subject to Category IV standards must submit a report monthly.

The revisions will not affect the time schedule of the FR 2052a. Consistent with current supervisory authority and processes, the Board, during periods of stress, may temporarily require

FR 2052a liquidity data from monthly filers on a more frequent basis.

Public Availability of Data

In general, data from the FR 2052a are confidential and are not publicly available. In limited circumstances, aggregate data for multiple respondents, which do not reveal the identity of any individual respondent, may be released.

Legal Status

The information collection under the FR 2052a is authorized by section 5 of the Bank Holding Company Act (BHCA),⁹ section 8 of the International Banking Act (IBA),¹⁰ section 10 of the Home Owners' Loan Act (HOLA),¹¹ and section 165 of the Dodd–Frank Wall Street Reform and Consumer Protection Act (Dodd Frank Act).¹² Section 5(c) of the BHCA authorizes the Board to require bank holding companies to submit reports to the Board regarding their financial condition. Section 8(a) of the IBA subjects foreign banking organizations to the provisions of the BHCA. Section 10 of the HOLA authorizes the Board to require reports and examine savings and loan holding companies. Section 165 of the Dodd Frank Act requires the Board to establish prudential standards for certain bank holding companies and foreign banking organizations; these standards include liquidity requirements.

The FR 2052a is mandatory. The information collected on the FR 2052a is collected as part of the Board's supervisory process. Therefore, such information is entitled to confidential treatment under exemption 8¹³ of the Freedom of Information Act (FOIA). Additionally, to the extent a respondent submits nonpublic commercial or financial information in connection with the FR 2052a, which is both customarily and actually treated as private by the respondent, the respondent may request confidential treatment pursuant to exemption 4 of the FOIA.¹⁴

Consultation Outside the Agency

The Board consulted with the OCC and FDIC in development of the NSFR rule, which included corresponding revisions to the FR 2052a.

Public Comments

On March 29, 2021, the Board published an initial notice in the *Federal Register* (86 FR 16365) requesting public comment on the extension, with revision, of the FR 2052a. The 60-day comment period for this notice expired on May 28, 2021. The Board received six comments: three from trade associations, one from a group of banking organizations, and two from individual banking organizations. Board staff also conducted two follow-up calls, one with a trade association

⁹ 12 U.S.C. § 1844.

¹⁰ 12 U.S.C. § 3106.

¹¹ 12 U.S.C. § 1467a.

¹² 12 U.S.C. § 5365.

¹³ 5 U.S.C. § 552(b)(8).

¹⁴ 5 U.S.C. § 552(b)(4).

and another with the trade association along with banking organizations, to better understand their concerns and recommendations.

Comments Related to Effective Date

Several commenters requested an extension of the proposed effective date of July 1, 2021. Some of these commenters suggested a phased-in approach that would require the reporting of FR 2052a data elements related to the NSFR rule earlier than FR 2052a data elements not related to the NSFR rule.¹⁵ Other commenters requested a later effective date for banking organizations that are not subject to the NSFR rule. The Board is finalizing the effective date of the revised FR 2052a as May 1, 2022, for banking organizations subject to Category I standards and October 1, 2022, for banking organizations subject to Category II-IV standards. These effective dates are tailored to the risks of large banking organizations, with an earlier effective date applying to the largest and most complex banking organizations and a later effective date applying to banking organizations with less risk. In addition, these effective dates will provide banking organizations with sufficient time to update their internal reporting processes and systems and facilitate the monitoring and accurate collection of FR 2052a data elements by the Board.

Comments Related to Submission Timing

Commenters raised concerns that the different submission cycles for various proposed FR 2052a data elements would increase burden and cause confusion, as banking organizations would be required to submit different FR 2052a data elements either daily, monthly, or quarterly and with different time lags (for example, T+2 business days, T+10 calendar days, or T+15 calendar days) based on criteria specified in the FR 2052a. One commenter also argued that the FR 2052a data elements required to be submitted on a monthly and quarterly submission cycle should be reported based on business days rather than calendar days.

The Board is finalizing the submission timing for the FR 2052a data elements as proposed. The timeliness of data is critical to effective liquidity monitoring and basing the submission of monthly and quarterly FR 2052a data elements on a business day cadence would impede the Board's ability to effectively monitor the liquidity risks of banking organizations. Moreover, the approach the Board is taking is consistent with the current requirement for monthly filers of the FR 2052a to report data on a calendar day cadence. In addition, the Board has the authority to require banking organizations to report FR 2052a data elements more frequently or with less delay when necessary (for example, during periods of market stress). Banking organizations that build reporting processes based on a rigid and lengthy data production cycle may struggle to provide data more frequently or with less delay in these scenarios. Thus, to mitigate burden, the final FR 2052a instructions clarify that data elements that are reported based on calendar days are due on the next good business day if the calendar day submission deadline falls on a weekend or holiday.

Additionally, commenters requested clarification regarding (i) how the Board plans to use the FR 2052a to monitor NSFR rule compliance, (ii) which FR 2052a data elements should be used to fulfill NSFR rule public disclosure requirements, and (iii) the reporting approach for FR 2052a

¹⁵ For example, commenters suggested April 1, 2022, for revisions to the FR 2052a related to the NSFR rule and October 1, 2022, for all other revisions.

data elements on a monthly or quarterly submission cycle. Specifically, commenters asked whether banking organizations that submit FR 2052a data elements daily would need to submit static monthly FR 2052a data elements each business day using data from the previous month end, prior to the required monthly refresh of these data elements. Commenters also asked whether banking organizations should update previously submitted balances of daily FR 2052a data elements with the same as-of date when filing their monthly FR 2052a data elements, and whether these monthly FR 2052a data elements should be based on the final or estimated month-end balance sheet. Commenters further noted that some required FR 2052a data elements may not be available at the submission frequency required by the proposed FR 2052a. In particular, commenters observed that the risk weights that are needed for reporting certain FR 2052a data elements are generally reported on a quarterly basis for purposes of existing regulatory reports.

The Board will use the FR 2052a to calculate a banking organization's NSFR in accordance with Appendix VIII¹⁶ and may conduct sensitivity analyses on an ongoing basis to estimate the banking organization's compliance with the NSFR rule requirements. Data collected via the FR 2052a also inform the Board's supervisory assessment of a banking organization's liquidity position and funding stability. Although there may be challenges associated with providing certain FR 2052a data elements daily, a banking organization must follow the FR 2052a and NSFR rule public disclosure requirements to ensure supervisors have sufficient information to monitor and assess funding risks and to ensure the accuracy of information disclosed to the public, where applicable.

Further, the NSFR rule public disclosure requirements, which are based on daily averages, are independent of and not modified by the FR 2052a. The Board is allowing banking organizations to report certain FR 2052a data elements less frequently than daily, as banking organizations have less time to compile, validate, and submit these data elements compared to the NSFR rule public disclosures, which are reported publicly on a semi-annual basis and disclosed with a longer delay. Nonetheless, banking organizations can choose to align the submission cycles of FR 2052a data elements by submitting the T+10 or T+15 FR 2052a data elements prior to their submission deadlines, provided that they have the capability to accurately produce the data.

With respect to the FR 2052a data elements that are submitted less frequently (that is, monthly for daily filers or quarterly for certain monthly filers) and with a T+15 time lag, the Board is requiring banking organizations to report the information as of the end of the submission cycle, and not for each business day. The Board is not requiring banking organizations to re-submit FR 2052a data elements that must be submitted daily or with less delay in tandem with FR 2052a data elements that are submitted less frequently and with longer delay. However, the Board is requiring banking organizations to re-submit previously submitted FR 2052a data elements that contain material errors. In addition, the Board is requiring banking organizations to report FR 2052a data elements in accordance with the submission cycles required by the FR 2052a and NSFR rule public disclosure requirements, even if related data are currently reported less frequently and with less granularity on other regulatory reports (for example, the risk weights of a banking organization's exposures are reported quarterly). In the case of risk weights that are needed for daily or monthly FR 2052a data elements, the Board does not anticipate material variation on an intra-quarter basis since these are standardized parameters.

¹⁶ Appendix VIII maps FR 2052a data elements to the NSFR rule requirements.

Comments Related to Balance Sheet Reconciliation and Validation Checks

Some commenters expressed concern with the lack of alignment between the reporting of FR 2052a data elements and the balance sheet under U.S. generally accepted accounting principles (U.S. GAAP), and asserted that the proposed FR 2052a approach (that is, through FR 2052a data element field “S.B.6: Carrying Value Adjustment”) to align the two would be overly burdensome. Commenters noted that banking organizations would incur significant additional burden due to the complexity and granularity required to tie FR 2052a data elements to the U.S. GAAP balance sheet. One commenter proposed an alternative approach that would add a field for carrying value for each table in the FR 2052a.

Relatedly, commenters requested guidance on how banking organizations are expected to reconcile their U.S. GAAP balance sheet with the FR 2052a. These commenters requested a comprehensive list of FR 2052a data elements and how those elements map to the U.S. GAAP balance sheet. Commenters also requested clarification regarding how banking organizations should report reconciliations between settlement date positions, on which the FR 2052a is primarily based, and trade date positions, on which parts of the U.S. GAAP balance sheet are based. In addition, to assist with reconciling the FR 2052a with U.S. GAAP balance sheet reporting, commenters recommended that the Board provide a list of validation checks and checks with other regulatory reports to ensure the accuracy and reasonableness of data submissions. One commenter also requested that the Board provide a new list of edit checks.

The Board is finalizing the FR 2052a data elements designed to align the FR 2052a with a U.S. GAAP balance sheet (that is, through FR 2052a data element field “S.B.6: Carrying Value Adjustment”) as proposed. The Board clarifies that the FR 2052a does not require a banking organization to report carrying value adjustments at the transaction level. Instead, these carrying value adjustments may be aggregated and reported at a level sufficient for the Board to monitor and assess the adequacy of a banking organization’s asset liquidity and funding stability. Hence, banking organizations may generally apply these carrying value adjustments at the FR 2052a product¹⁷ and counterparty level. However, banking organizations that are subject to the NSFR rule must apply these carrying value adjustments at a level sufficient to align these adjustments with the applicable NSFR rule provisions, as mapped in Appendix VIII. Banking organizations should adopt reasonable assumptions and methodologies to facilitate alignment of these adjustments with the associated underlying FR 2052a data elements. The Board is not adopting the approach recommended by a commenter to add a carrying value field to each applicable FR 2052a table, as this approach would be more burdensome than the approach the Board is adopting (for example, by explicitly requiring banking organizations to report carrying values at a transaction level).

Further, the FR 2052a does not require banking organizations to wholly reconcile FR 2052a data elements to the details reported on a U.S. GAAP balance sheet. Rather, the FR 2052a requires banking organizations to report data that conceptually cover the entirety of their balance sheet exposures and certain off-balance sheet exposures in a manner sufficient to measure funding stability and asset liquidity. Banking organizations subject to the NSFR rule should refer to

¹⁷ The FR 2052a uses product definitions to provide guidance on the classification of inflows, outflows, and supplemental items. An example of a product is “I.A.1: Unencumbered Assets” under the category “I.A: Inflows-Assets.”

Appendix VIII, which reflects the level at which the Board requires the FR 2052a to align with a U.S. GAAP balance sheet and includes methods to reconcile between trade date and settlement date accounting. Board staff will coordinate with each banking organization not subject to the NSFR rule to determine the appropriate level to reconcile the FR 2052a reporting requirements with U.S. GAAP balance sheet reporting requirements, commensurate with each banking organization's size, complexity, and risk profile.

Additionally, FR 2052a validation checks have historically been implemented following the finalization of changes to the FR 2052a, as developing new validation checks benefits from interactions with banking organizations on technical issues. Moreover, the Board expects banking organizations to independently develop appropriate validation checks and controls to ensure the quality and integrity of submitted data.

Comments on Data Fields Unrelated to LRM Standards

One commenter argued that certain FR 2052a data fields that are unrelated to liquidity risk management should be removed, including the "G-SIB" field, "Fixed Income Clearing Corporation (FICC)" settlement specification, "Collateral Level" field, identification of total loss absorbing capacity (TLAC) instruments in the "Loss Absorbency" field, "Accounting Designation" field, and "Business Line" field. Similarly, commenters asserted that the Board should not adopt the proposed expansions of certain FR 2052a data fields, such as the counterparty and collateral class data fields, as these expansions are not necessary to implement the NSFR and LCR rules.

The Board is finalizing these aspects of the FR 2052a as proposed. The Board uses the FR 2052a to collect data in support of its supervisory mandates, including monitoring the microprudential and financial stability risks associated with large banking organizations' asset and liability profiles. These new FR 2052a data fields play an important role in the Board's monitoring of these risks.

For example, the "G-SIB" field, which identifies data elements where the underlying counterparty is a G-SIB, captures necessary information for monitoring potential interdependencies between G-SIBs that could be a channel for the transmission of systemic funding risks. It also provides visibility into interdependencies with non-U.S. G-SIBs, including exposures in the U.S. capital markets that are booked through non-U.S. affiliates or otherwise less transparent to the Board. The Board notes that there is significant precedent for the collection of counterparty data in regulatory reports and through supervisory monitoring.

The "FICC" settlement specification identifies repurchase and reverse repurchase transactions (repo-style transactions) cleared and novated to the FICC. These transactions represent a material and critical segment of the repo-style transactions market, and accordingly the FICC settlement specification provides substantial insight into banking organization-specific and banking system-wide liquidity risks in this market segment. Understanding a banking organization's repo-style transactions cleared through FICC could have significant implications for the Board's supervisory assessments of the banking organization's strategies to obtain liquidity from HQLA and any associated financial stability implications. In addition, an understanding of how a banking organization's repo-style transactions are settled, including through FICC, would help the Board to assess the risks of a banking organization's repo-style transactions and access to funding markets.

Further, reporting a banking organization's relationship with a central counterparty such as FICC by name is less sensitive compared to reporting a banking organization's relationship with a commercial counterparty by name. Finally, introducing the FICC settlement specification addresses ambiguities in the current FR 2052a instructions regarding the classification of repo-style transactions that may be cleared and net settled with FICC, but may individually originate through both bilateral and triparty settlement mechanisms.

The "Collateral Level" field is used to differentiate the derivative asset and liability values and the balances of variation margin posted and received for all derivative contracts. This field is required for banking organizations to determine the extent to which variation margin posted and received is eligible for netting under the NSFR rule. This field is referenced in Appendix VIII, which maps the FR 2052a to the applicable NSFR rule provisions.

The information collected in the "Loss Absorbency" field is required to distinguish between tier 2 capital instruments and other long-term liabilities. The TLAC indicator is a natural extension of the "Loss Absorbency" field and distinguishes TLAC instruments from other long-term liabilities. This indicator also provides insight into the composition of a banking organization's capital markets debt issuances that is critical to monitoring the execution of its funding strategy. Moreover, TLAC instruments are typically issued with early call options that are not deemed to be exercised when determining the maturity of these instruments for purposes of the LCR and NSFR rules. These call options could introduce sudden and unexpected liquidity needs during a period of stress. An indicator that clearly identifies TLAC instruments enables supervisory monitoring of risks associated with these potential liquidity needs, as the call dates of TLAC instruments are relatively standardized.

The "Accounting Designation" field differentiates a banking organization's unencumbered inventory based on its designated treatment for accounting purposes. The data collected in the "Accounting Designation" field provide information about potential constraints to a banking organization's liquidity buffer management strategies. Classification of assets as Held-to-Maturity has significant implications on a banking organization's possible channels for obtaining liquidity from those assets. This field also facilitates reconciliation to other regulatory reports.

The "Business Line" field designates the business line responsible for or associated with all applicable exposures reported on the FR 2052a. The information collected in the "Business Line" field helps the Board in conducting reviews of banking organizations' internal liquidity stress tests (ILSTs) required under the Board's Regulation YY and Regulation LL, since a key factor in a banking organization's own assessment of its liquidity risk for certain transactions can be the line of business in which these transactions are managed. Appropriately, this field only applies to the largest and most complex banking organizations, where distinguishing transactions by business lines is particularly important given the breadth and complexity of their operations. This information also enhances supervisory coordination with banking organizations, as it will provide a mechanism to align certain data collected in regulatory reports with the banking organization's ILST results and other internal management information systems. Further, the current FR 2052a instructions already capture limited business line information by requiring a banking organization to differentiate between exposures that are associated with its prime brokerage operations versus other exposures. Therefore, the "Business Line" field is an expansion of the current reporting requirement for banking organizations subject to Category I standards and not a new reporting

requirement. Moreover, the Board is providing relief to banking organizations subject to Category II-IV standards by removing the reporting requirement to designate transactions associated with prime brokerage business lines. Additionally, banking organizations should not incur significant burden in implementing this field, as the “Business Line” field only requires banking organizations to designate the existing business lines in which a particular transaction is managed and does not create new regulatory categories.

The Board is adding more granular counterparty types to the counterparty class data field because the current definitions do not provide for mutually exclusive categories of financial counterparties. These changes fully align with the financial counterparty types specified in Regulation WW,¹⁸ and do not create counterparty types beyond these existing defined terms. More granular knowledge of the types of financial counterparties facing a banking organization would assist the Board in understanding a banking organization’s liquidity risks, as different types of financial counterparties may exhibit meaningfully different behavioral responses to a liquidity stress event or have different implications on a banking organization’s decision-making around franchise and reputational risks.

The expansion of the collateral class data field, which identifies the types of collateral for relevant FR 2052a data elements, recognizes that the liquidity characteristics of exchange traded funds (ETFs) and mutual funds can be different from the individual securities or assets that underlie the ETF or mutual fund. ETFs can also play a significant role in the funding strategies of banking organizations that engage in dealing activities, such as providing financing to and acting as an intermediary for the trading activities of their clients. Additionally, the Board is expanding the collateral class data field to include equity investments in subsidiaries because information about these equity investments is required to construct an accurate view of a banking organization’s balance sheet and can be necessary to calculate the NSFR.

Comments Related to Banking Organizations not Subject to the NSFR Rule

Several commenters argued that certain banking organizations, including foreign banking organizations, should not be required to report FR 2052a data elements that are related to the NSFR rule (NSFR-related FR 2052a data elements) for a material entity if the material entity is not subject to the NSFR rule. Some commenters argued that foreign banking organizations should not be required to report NSFR-related FR 2052a data elements for material entities that are part of its combined U.S. operations but not subject to the NSFR rule (such as a U.S. branch that is not required to be held under a foreign banking organization’s U.S. intermediate holding company (IHC)). In this case, commenters argued that foreign banking organizations should report the NSFR-related FR 2052a data elements only for their IHCs. Additionally, one commenter requested the Board to differentiate between the category of standards applicable to a foreign banking organization’s IHC and its combined U.S. operations under Regulation YY to avoid misinterpretation of requirements for reporting NSFR-related FR 2052a data elements and to align the FR 2052a instructions with the tailoring final rules.

The Board is clarifying that certain banking organizations, including foreign banking organizations, may provide certain NSFR-related FR 2052a data elements (for example, FR 2052a

¹⁸ See 12 CFR 249.3.

data element field “S.L.10: Net Stable Funding Ratio”) exclusively at the level of the material entity that is subject to the NSFR rule. Other NSFR-related FR 2052a data elements (for example, FR 2052a data element field “S.B.1 Regulatory Capital Element”) would be required to be reported by a banking organization for material entities not subject to the NSFR rule to assist the Board in assessing the banking organization’s funding risks under a range of market conditions, as an adequate assessment requires an understanding of these risks at a legal entity level. However, after considering the commenter’s request to differentiate on the basis of the category of standards applicable to a foreign banking organization’s IHC and its combined U.S. operations under Regulation YY, the Board is amending the FR 2052a instructions to base the reporting of certain NSFR-related FR 2052a data elements on the scope of application of the Board’s LRM Standards. Therefore, a foreign banking organization’s requirements with respect to these NSFR-related FR 2052a data elements would be based on its IHC’s category of standards under Regulation YY, where applicable. As an example, a foreign banking organization would not need to provide the NSFR-related FR 2052a data elements in the “S.L: Supplemental-Liquidity Risk Measurement (LRM)” table for its U.S. branches.

Comments Related to Leveraging Existing Regulatory Reports

One commenter recommended that the Board should leverage existing regulatory reports, when possible, to collect NSFR-related FR 2052a data elements. This commenter pointed out several comparable data elements in the FR 2052a and FR Y-9C reports as examples. The Board has leveraged existing data from other regulatory reports to the extent possible, but the data provided in other regulatory reports do not consistently align with the FR 2052a data elements and would not provide the same granularity as the NSFR-related FR 2052a data elements. Although the FR Y-9C data elements and related FR 2052a data elements cited by the commenter share some characteristics, the FR 2052a data elements have unique features and greater granularity requirements to provide the Board with the necessary insight into a banking organization’s balance sheet funding risks.

Other Comments Received

Commenters also raised a number of requests for technical clarifications and recommendations pertaining to the FR 2052a instructions, as listed below.

One commenter asked whether resubmissions of a FR 2052a report that was filed prior to the effective date of the revised FR 2052a would be based on FR 2052a requirements as of the filing date, or whether such resubmissions would need to incorporate changes made in the revised FR 2052a. The Board is clarifying that resubmissions of the FR 2052a must be based on the FR 2052a requirements as of the original filing date. However, the Board will only require banking organizations to resubmit data using the FR 2052a requirements as of a filing date prior to the effective date of the revised FR 2052a for up to 180 days after this effective date.

The same commenter requested clarification regarding how banking organizations should map the proposed FR 2052a maturity time buckets to the NSFR rule’s standardized maturity buckets used for the application of certain NSFR parameters. The Board is amending the proposed FR 2052a maturity time buckets to match the NSFR rule’s standardized maturity buckets. The commenter also asked how the proposed FR 2052a effective maturity buckets are to be applied to

tables other than the “I.S: Inflows-Secured” table. Effective maturity buckets must be used to designate the period of encumbrance for assets that have been pledged to secure other assets. These assets include unsecured loans reported in the “I.U: Inflows-Unsecured” table or securities reported in the “I.A: Inflows-Assets” table. The commenter also asked how banking organizations should treat products that have both evergreen and extendable features (for example, a contract with an option to extend its maturity that also requires a minimum number of days’ notice before the contract can mature). Banking organizations should use the “Evergreen” maturity optionality designation for products with both evergreen and extendable features. The commenter also asked for an example of an asset that would fall within the “Not Accelerated” maturity optionality designation. Examples include where a banking organization holds an option to accelerate the maturity of an asset, or where the banking organization holds an option to accelerate the maturity of a liability with an original maturity of more than one year but the option is not exercisable for the first six months.

The same commenter also asked the Board to clarify the distinction between the “IG-2-Q” collateral class, which refers to investment grade municipal obligations, and the “IG-2” collateral class, which refers to investment grade U.S. municipal general obligations. The Board is clarifying that the “IG-2” collateral class includes only general obligations and the “IG-8” collateral class includes all other municipal obligations. The “IG-2-Q” collateral class includes investment grade municipal obligations that are liquid and readily marketable and that qualify as level 2B HQLA.

One commenter asked the Board to allow banking organizations to provide general descriptions of the “Other” FR 2052a data element fields monthly as opposed to daily. After considering the commenter’s request regarding the frequency of reporting general descriptions of the “Other” FR 2052a data element fields, the Board is amending the instructions to require monthly reporting of these general descriptions.

The commenter also asked for examples of assets that should be reported in the FR 2052a data element field “I.A.7: Encumbered Assets.” Examples of assets that should be reported in the FR 2052a data element field “I.A.7: Encumbered Assets” include, without limitation, securities owned by a banking organization that are pledged to a repo-style transaction, loan, or derivative transaction. The commenter further requested clarification on the types of assets in the “S.DC: Supplemental-Derivatives & Collateral” table that require the reporting of an encumbrance type. The Board is clarifying that the encumbrance type field is only required in circumstances where assets held or received by the banking organization have been encumbered to other transactions or exposures. On this basis, the FR 2052a data element fields “S.DC.1: Gross Derivative Asset Values,” “S.DC.7: Initial Margin Received,” and “S.DC.10: Variation Margin Received” can require the assignment of an encumbrance type.

The commenter asked whether the collateral class designation of “Y-4,” which refers to equity investment in affiliates, for the FR 2052a data element field “O.O.19: Interest & Dividends Payable” would apply to only inter-affiliate dividends or all dividends. The Board is clarifying that the designation applies to all dividends. A question was also asked regarding how banking organizations should report the maturity amount of a secured financing transaction where they have elected the fair value option for accounting purposes. The Board is clarifying that the maturity amount must reflect the cash settlement obligation of the secured financing transaction. Banking organizations must also use the FR 2052a data element field “S.B.6: Carrying Value Adjustment”

to align the maturity amount with the balance sheet carrying value based on the fair value option election.

The commenter also asked questions related to a banking organization's capacity to engage in collateral substitution for purposes of the FR 2052a data element field "S.DC.21: Other Collateral Substitution Capacity." The commenter asked whether banking organizations could include encumbered assets that would become unencumbered after the first good business day. In response, the Board is clarifying that banking organizations may disclose additional collateral substitution capacity based on assets that will become unencumbered following the first good business day if they specify the exact date upon which the assets will become unencumbered. The commenter also asked whether banking organizations could disclose capacity based on the ability to borrow assets from affiliates if the standalone reporting entity did not have assets to substitute. The Board is clarifying that a standalone reporting entity may disclose capacity to the extent that the assets are held by the standalone reporting entity or its subsidiaries. Therefore, while a consolidated standalone reporting entity may consider the ability to transfer assets among its consolidated subsidiaries for purposes of the "S.DC.21: Other Collateral Substitution Capacity" FR 2052a data element field, it should not consider the ability to transfer assets between affiliates that are not its consolidated subsidiaries. The commenter also asked for an example on quantifying collateral substitution capacity, taking into account the LCR rule haircuts between assets received and assets pledged. As an example, if a banking organization has posted \$25 of U.S. Treasury securities and could substitute those U.S. Treasury securities with sufficient non-HQLA to fully collateralize the liability to which the U.S. Treasury securities were pledged, the reportable value would be \$25. If, alternatively, the liability would require \$30 of level 2B HQLA, the capacity would be calculated as: $\$25 \text{ (U.S. Treasury securities)} * 100\% - \$30 \text{ (level 2B HQLA)} * 50\% = \$25 - \$15 = \10 .

The commenter further requested clarification on whether banking organizations could exclude from their required stable funding (RSF) amount¹⁹ subsidiary liquidity that cannot be transferred under the LCR rule. The Board is clarifying that banking organizations cannot exclude such subsidiary liquidity. As the FR 2052a data element field "S.L.1: Subsidiary Liquidity That Cannot Be Transferred" refers to the LCR rule, it does not factor into NSFR calculations.

In addition, the commenter asked whether non-cash items should be included in the FR 2052a data element fields "S.B.2: Other Liabilities" and "S.B.4: Other Assets." The Board is clarifying that these two FR 2052a data element fields should reflect all other assets and liabilities that are (i) not otherwise reported in other FR 2052a data elements, (ii) reportable under U.S. GAAP, and (iii) within the scope of the NSFR rule, regardless of whether these assets or liabilities are cash or non-cash items.

The commenter also requested clarification with respect to the FR 2052a data element field "S.B.5: Counterparty Netting." Specifically, the commenter asked whether banking organizations should follow U.S. GAAP or the NSFR rule. The Board is clarifying that banking organizations are required to follow the NSFR rule. The Board believes that requiring banking organizations to follow the NSFR rule when filing the FR 2052a is appropriate, as the Board will use information collected through the FR 2052a to monitor compliance with the NSFR rule in addition to

¹⁹ See 12 CFR 249.105 for the calculation of the RSF amount.

evaluating the liquidity and funding risks of banking organizations. The commenter also asked whether amounts reported under the FR 2052a data element field “S.B.5: Counterparty Netting” could be excluded from the FR 2052a data element field “S.B.6: Carrying Value Adjustment.” The Board is clarifying that the FR 2052a data element fields “S.B.5: Counterparty Netting” and “S.B.6: Carrying Value Adjustment” are mutually exclusive; therefore, amounts reported under the FR 2052a data element field “S.B.5: Counterparty Netting” must be excluded from amounts reported under FR 2052a data element field “S.B.6: Carrying Value Adjustment.”

The commenter also asked the Board to confirm that currency is not a required field in “Appendix I: FR 2052a Data Format, Tables, and Fields.” The Board is confirming that currency is a required field. The currency and converted fields are not displayed for each value field in this appendix to simplify its visual representation of the FR 2052a data structure.

The Board is also revising the FR 2052a instructions to correct typographical errors, align the FR 2052a with previously issued FAQs, or remove certain FR 2052a data elements as the Board no longer considers those items to be critical to monitoring the liquidity and funding risks of banking organizations and across the entire banking system by:

- Removing interest receivable from the products reportable in the “I.U: Inflows-Unsecured” table;
- Changing “I.O.6: Interest and Dividends Receivable” so that the counterparty to be reported is the payor of the interest;
- Changing the definition of an operational escrow account, found in “O.D.7: Operational Escrow Accounts,” to match the definition provided in Question 5 of the FR 2052a FAQ Volume 12;
- Updating the “other cash” reference in “I.A.3: Unrestricted Reserve Balances” to refer to “Currency and Coin;”
- Removing “I.U.8: Unposted Debits;” and
- Completing the instructions to “S.L.9: Additional Funding Requirement for Off-Balance Sheet Rehypothecated Assets” by adding the phrase “has been rehypothecated.”

A commenter requested clarification with respect to the reporting of certain secured financing transactions, including the process of netting in cases where the collateral value exceeds the netted on-balance sheet cash leg and the collateral potentially consists of more than one instrument. Relatedly, the commenter asked how banking organizations should allocate the RSF factors²⁰ to a netting set of secured financing transactions where the netting set includes reverse repurchase transactions and the collateral received consists of assets that have different RSF factors. Additionally, the commenter asked the Board to confirm a “look-through” approach for the reporting of an asset exchange transaction where the asset sourced through the asset exchange transaction is used as initial margin in a derivatives transaction. Under the commenter’s proposed “look-through” approach, a banking organization would not be required to reflect an RSF

²⁰ RSF factors are assigned in 12 CFR 249.106.

requirement for both the asset pledged in the asset exchange transaction and the initial margin. The commenter also asked how the FR 2052a encumbrance type designation should apply to off-balance sheet collateral that is not used in a transaction that results in an NSFR liability.²¹

The Board notes that the FR 2052a provides clear instructions regarding the reporting of secured financing transactions, asset exchange transactions, and the encumbrance type designation. Additionally, the information collected through the FR 2052a regarding these types of transactions and the encumbrance type designation provides the Board with important insights into banking organization-specific and banking system-wide liquidity and funding risks. Therefore, these aspects of the FR 2052a instructions remain unchanged. Additionally, the commenter’s requests for clarification involve, in part, interpretations of the NSFR rule. The Board typically responds to interpretative questions concerning its regulations in another forum and questions regarding interpretations of the NSFR rule should be emailed to LCR-NSFR.INFO@occ.treas.gov.

The Board received several comments related to the mapping appendices associated with the FR 2052a. The Board will respond to these inquiries in a different forum, as the mapping appendices do not represent FR 2052a instructions.

Estimate of Respondent Burden

As shown in the table below, the estimated total annual burden for the FR 2052a is 862,440 hours and would increase to 873,712 hours with the adopted revisions. The increase in estimated annual burden hours is primarily driven by one-time implementation costs of the proposed items. After implementation, estimated annual burden will be 866,502 hours. These reporting requirements represent approximately 11.12 percent of the Board’s total paperwork burden.

FR 2052a	<i>Estimated number of respondents²²</i>	<i>Annual frequency</i>	<i>Estimated average hours per response</i>	<i>Estimated annual burden hours</i>
Current				
Monthly	26	12	120	37,440
Daily	15	250	220	<u>825,000</u>
	<i>Total</i>			862,440
Adopted				
Monthly-Ongoing	26	12	121	37,752
Monthly-One-time	26	1	140	3,640
Daily-Ongoing	15	250	221	828,750

²¹ An NSFR liability generally includes liabilities that are reported on a banking organization’s balance sheet that are not excluded from the banking organization’s regulatory capital. See 12 CFR 249.3.

²² Of these respondents required to comply with this information collection, none are considered small entities as defined by the Small Business Administration (i.e., entities with less than \$600 million in total assets)

<https://www.sba.gov/document/support--table-size-standards>.

Daily-One-time	15	1	238	3,570
	<i>Total</i>			873,712
	<i>Net change</i>			11,272

The current estimated total annual cost to the public for this collection of information is \$49,805,910. The adopted changes will increase the estimated total annual cost to \$51,680,065.²³

Sensitive Questions

These collections of information do not contain questions of a sensitive nature, as defined by OMB guidelines.

Estimate of Cost to the Federal Reserve System

The estimated cost to the Federal Reserve System for collecting and processing this information collection will be \$532,800.

²³ 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 \$20, 45% Financial Managers at \$73, 15% Lawyers at \$72, and 10% Chief Executives at \$95). Hourly rates for each occupational group are the (rounded) mean hourly wages from the Bureau of Labor and Statistics (BLS), Occupational Employment and Wages, May 2020, published March 31, 2021 <https://www.bls.gov/news.release/ocwage.t01.htm#>. Occupations are defined using the BLS Standard Occupational Classification System, <https://www.bls.gov/soc/>.