

Agency form number in the case of a new information collection that has not yet been assigned an OMB number), should be addressed to Mr. William W. Wiles, Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, DC 20551, or delivered to the Board's mail room between 8:45 a.m. and 5:15 p.m., and to the security control room outside of those hours. Both the mail room and the security control room are accessible from the courtyard entrance on 20th Street between Constitution Avenue and C Street, N.W. Comments received may be inspected in room M-P-500 between 9:00 a.m. and 5:00 p.m., except as provided in section 261.8 of the Board's Rules Regarding Availability of Information, 12 CFR 261.8(a).

A copy of the comments may also be submitted to the OMB desk officer for the Board: Milo Sunderhauf, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 3208, Washington, DC 20503.

**FOR FURTHER INFORMATION CONTACT:** A copy of the proposed form and instructions, the Paperwork Reduction Act Submission (OMB 83-I), supporting statement, and other documents that will be placed into OMB's public docket files once approved may be requested from the agency clearance officer, whose name appears below.

Mary M. McLaughlin, Federal Reserve Board Clearance Officer (202-452-3829), Division of Research and Statistics, Board of Governors of the Federal Reserve System, Washington, DC 20551. Telecommunications Device for the Deaf (TDD) users may contact Dorothea Thompson (202-452-3544), Board of Governors of the Federal Reserve System, Washington, DC 20551.

Proposal to approve under OMB delegated authority the extension, with revision, of the following reports:

1. *Report title:* Report of Condition for Foreign Subsidiaries of U.S. Banking Organizations and Financial Information for Foreign Subsidiaries of U.S. Banking Organizations  
*Agency form number:* FR 2314a, b and c

*OMB control number:* 7100-0073

*Frequency:* Quarterly and annually

*Reporters:* Foreign subsidiaries of U.S. banks, bank holding companies, and Edge and agreement corporations  
*Annual reporting hours:* 5,459

*Estimated average hours per response:* 1.5 to 10.5

*Number of respondents:* 1,165

Small businesses are not affected.

*General description of report:* This information collection is mandatory [12 U.S.C. 324, 602, 625 and 1824] and is

given confidential treatment [5 U.S.C. 552(b)(8)].

*Abstract:* The FR 2314 reports collect information annually from all direct or indirect foreign subsidiaries of U.S. member banks, bank holding companies, and Edge or agreement corporations. The FR 2314a collects information on assets, liabilities, contingent liabilities, and eleven supporting schedules, including income and expenses. The FR 2314b collects the same information on assets, liabilities, contingent liabilities, and income and expenses. The FR 2314c collects information on total assets, equity capital, off-balance-sheet items, and net income. Subsidiaries with significant asset size or volume of foreign exchange trading report the FR 2314a quarterly.

The data are used to monitor the growth and activities of the subsidiaries and to supervise the overall operation of the parent organization. Revisions are proposed to make the FR 2314 reports more consistent with the parent organizations' reports of condition and income and to improve the Federal Reserve's surveillance of overseas banking operations. The proposed revisions would be effective as of the December 31, 1995, reporting date. The due date for filing the revised reports would be extended, as appropriate, based on the date of final Board approval. Following this approval, respondents would be informed of the rescheduled due date.

The Federal Reserve proposes several changes to the FR 2314a and FR 2314b reports, summarized as follows.

(1) Revise the reporting criteria for filing the FR 2314a and the FR 2314b. Currently subsidiaries file the FR 2314a quarterly if they have total assets of at least \$2 billion or commitments to purchase foreign currencies and U.S. dollar exchange of at least \$5 billion. The instruction would be revised to include subsidiaries that have at least \$5 billion in off-balance-sheet activity measured by the sum of commitments to purchase foreign currencies and U.S. dollar exchange, all other futures and forwards contracts, written option contracts, purchased option contracts, notional value of interest rate swaps, notional value of exchange swaps, and the notional value of other swaps. In addition the reporting criteria for filing the FR 2314a on an annual basis would be raised to include respondents with total assets greater than \$250 million, up from \$100 million. Subsidiaries with total assets of \$50 million or more but not more than \$250 million would file the FR 2314b.

(2) Additions to allow for compliance with Financial Accounting Board

(FASB) Statement No. 115. Subsidiaries would report a new schedule for securities that would provide information on available-for-sale securities and held-to-maturity securities, and new items to collect information on the net unrealized holding gains (losses) on available-for-sale securities and information on the change in net unrealized holding gains (losses) in available-for-sale securities.

(3) Additions to allow for compliance with FASB Interpretation Number (FIN) 39. Subsidiaries would report new items for

(a) trading liabilities,  
(b) assets held in trading accounts, and  
(c) revaluation gains on interest rate, foreign exchange rate, and other commodity and equity contracts.

(4) Additions to capture income from trading account activity. Subsidiaries would report new items for

(a) interest income and dividends from assets held in trading accounts, and

(b) gains (losses) and fees from trading assets and liabilities.

(5) Deletions of selected items.

Subsidiaries would no longer report the items for

(a) dividends on stock,  
(b) cash dividends declared reported on Schedule I, and

(c) net retained income. Dividend on stock would be added to the item for interest on bonds, notes, and debentures.

2. *Report title:* Report of Changes in Investments (Made Pursuant to Subparts A and C of Regulation K)

*Agency form number:* FR 2064

*OMB control number:* 7100-0109

*Frequency:* On occasion

*Reporters:* U.S. member banks, bank holding companies, and Edge and agreement corporations

*Annual reporting hours:* 1,200

*Estimated average hours per response:* 0.75

*Number of respondents:* 50

Small businesses are not affected.

*General description of report:* This information collection is mandatory [12 U.S.C. 602, 625 and 1844] and is given confidential treatment [5 U.S.C. 552(b)(4)].

*Abstract:* Member banks, Edge and agreement corporations, and bank holding companies are required to file the FR 2064 to record changes in their international investments. Sections 25 and 25A of the Federal Reserve Act (FRA) and Sections 4(c)(13) and 4(c)(14) of the Bank Holding Company Act govern the formation of Edge and agreement corporations and export trading companies and the international