

## **Financial Research Fund Assessments Frequently Asked Questions**

### **1. What reports are referenced to calculate assessable assets?**

Assessment calculations for the initial assessment were based upon the following reports:

- For companies that are FR Y-9C filers–
  - The company’s total consolidated assets as reported on Schedule HC – Consolidated Balance Sheet of the company’s Consolidated Financial Statements for Bank Holding Companies (FR Y-9C).
- For companies that are FR Y-7Q filers–
  - The company’s total assets of combined U.S. operations are calculated by using the total assets (or total consolidated assets) reported on the regulatory financial report submission of the company’s U.S. domiciled entities.
    - Consolidated Financial Statements for Bank Holding Companies (FR Y-9C), Parent Company Only Financial Statements for Large Bank Holding Companies (FR Y-9LP), or Parent Company Only Financial Statements for Small Bank Holding Companies (FR Y-9SP) for assets of bank holding companies,
    - Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks (FFIEC 002) for assets of U.S branches and agencies of foreign banks,
    - Consolidated Reports of Condition and Income for a Bank with Domestic and Foreign Offices (FFIEC 031) for assets of commercial banks and trust companies not reported in the consolidated assets of a bank holding company,
    - Consolidated Reports of Condition and Income for a Bank with Domestic Offices Only (FFIEC 041) for assets of commercial banks and trust companies not reported in the consolidated assets of a bank holding company,
    - Consolidated Report of Condition and Income for Edge and Agreement Corporations (FR 2886b) for assets of edge and agreement corporations not reported in the consolidated assets of a bank holding company,
    - Financial Statements of U.S. Nonbank Subsidiaries Held by Foreign Banking Organizations (FR Y-7N/FR Y-7NS) for nonbank assets not held under a U.S. bank holding company, and
    - FOCUS Report, Part II (SEC1695) and FOCUS Report Part IIa (SEC1696) for Broker/Dealer assets not reported in the consolidated assets of a bank holding company.

For quarterly filers, assessments are calculated as the average of the most recent four quarters of data or, for annual filers, the average of the preceding two years (see question 2).

In situations in which a company has not filed four consecutive quarters of the financial reports referenced above for the most recent quarter (or two consecutive years for annual filers of the FR Y-7Q), such as may be true for a company that recently converted to a bank holding company, the Treasury will use, at its discretion, other financial or annual reports filed by the company, such as Securities and Exchange Commission filings, to determine a company's total consolidated assets. In situations in which a company does not report total consolidated assets in its public reports or in which a company uses a financial reporting methodology other than U.S. GAAP to report on its U.S. operations, the Treasury would use comparable financial information that the Treasury may require from the company for this determination.

## **2. What quarterly data are used to calculate assessable assets?**

Assessments are calculated as the average of a company's total assessable assets over the four quarters preceding the determination date (or, for companies that only file the annual FR Y-7Q, the average of a company's total assessable assets for the two years preceding the determination date).

For the initial assessment, the four quarters of data used to calculate assessments were the quarters ended: March 31, 2011; June 30, 2011; September 30, 2011; and December 31, 2011.

For all other assessments, the four quarters of data used will be:

- For the November 30 determination date: the first three quarters of the current calendar year and the fourth quarter of the prior calendar year.
- For the May 31 determination date: the first quarter of the current calendar year and the last three quarters of the prior calendar year.

## **3. For foreign banking organizations, which file both quarterly and annual reports, how should annual and quarterly figures be combined for calculation of assessable assets?**

Assessable assets for a quarter are calculated by summing the latest available figures for each report available at the end of that quarter. For data reported annually, data from the most recently filed annual report is used. (For example, since annual data are generally recorded in the fourth quarter of a calendar year, calculations of quarterly assessable assets for the first three quarters of a calendar year would utilize annual figures from the prior year.) These quarterly data are then averaged over the relevant four quarters to determine a company's assessable assets for assessment purposes.

For example, consider a hypothetical assessable foreign banking organization that files only the following forms for the following three entities:

Entity	Form	Reporting cycle
Consolidated BHC	Y-9C	Quarterly
Branch	FFIEC 002	Quarterly
Non-bank subsidiary	Y-7N	Annual

If this company reported the following data to the Federal Reserve Board, the Treasury's estimate of total assessable assets would be:

Entity	Form	Q1	Q2	Q3	Q4	Total Assessable Assets
BHC	Y-9C	\$5	\$4	\$6	\$8	
Branch	FFIEC 002	\$2	\$1	\$1	\$3	
Non-bank subsidiary	Y-7N	\$1	\$1	\$1	\$3	
Total		\$8	\$6	\$8	\$14	\$9

In this example, the non-bank subsidiary files its Y-7N in the fourth quarter. Further, in this example, it reported assets of \$1 in its previous year's Y-7N filing and assets of \$3 in its current year's filing.

**4. Since the reports referenced above for foreign banking organizations are unconsolidated, how do you accommodate for double-counting?**

As stated in the preamble to the rule, the Treasury makes every effort to avoid double-counting in the calculation of assessable assets, consulting with the Federal Reserve Board and the affected firms, as necessary. For each assessment, companies that identify double-counting in the assessable asset figure listed on their Confirmation Statement should submit a written request for redetermination and include all the pertinent facts that would be necessary for the Treasury to consider during the redetermination. At a minimum, this request should include quarterly data detailing the amount of double-counting by entity and by filed report. The Treasury will consider any written request for redetermination received by the deadline stated in the rule and respond within 21 days.

**5. How long will companies have to prepare a request for redetermination?**

For assessments after the initial assessment, companies will have one month to prepare a request for redetermination. For requests received by the deadline (i.e., one month following the issuance of the Confirmation Statements), the Treasury will evaluate the appeal and respond to companies within 21 days of receipt of the request.

**6. What is the best way to present information for a request for redetermination?**

Requests for redetermination should provide line item detail for the four quarters subject to determination for the bank holding company, as well as, for foreign banking organizations, line item detail for the four quarters subject to determination of any of the company's branches, agencies, or subsidiaries filing the reports listed above. When relevant, requested adjustments for double-counting should be listed quarterly by report with aggregate figures

provided by filing entity. Appeals should be submitted to [FRFAssessments@treasury.gov](mailto:FRFAssessments@treasury.gov) and must be received by the deadline established in the rule to be considered.

**7. Does the assessment have to be paid through pay.gov?**

The rule states that payments will be made through pay.gov (§ 150.6). Pay.gov is a secure electronic system that, once authorized by the assessed company, will automatically debit specified accounts on the assessment collection date. No further action is required from a bank once the authorization agreement for preauthorized payments is completed and returned to Treasury.

**8. How does a bank change the information provided for electronic collection via pay.gov?**

Simply download the [authorization agreement for preauthorized payments](#), update the information, and send to the e-mail address provided on the form.