



INSTITUTE OF INTERNATIONAL BANKERS

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BY ELECTRONIC SUBMISSION

Ann E. Misback, Secretary
Board of Governors of the Federal Reserve System
20th Street and Constitution Avenue, NW
Washington, D.C. 20551

Re: *Notice and Request for Comment on Proposal to Revise and Extend the Country Exposure Report for U.S. Branches and Agencies of Foreign Banks (FFIEC 019)*

To Whom it May Concern:

The Institute of International Bankers (“IIB”) appreciates the opportunity to comment on the proposal by the Board of Governors of the Federal Reserve System (the “Federal Reserve”) to revise the Country Exposure Report for U.S. Branches and Agencies of Foreign Banks (FFIEC 019).¹ The IIB understands the Federal Reserve’s desire to remove the five-country reporting limit to allow the additional collection of foreign exposure data for the U.S. branches and agencies of international banks to allow supervisors to “compare the amount of one institution’s exposures to those of its peers for a country or set of countries, to analyze the aggregate exposure of U.S. banks to foreign creditors, and to monitor trends in exposures.”² However, without additional updates to the FFIEC 019 instructions to be more consistent with the Country Exposure Report (FFIEC 009) which is used for domestic institutions, the Federal Reserve may not be able to efficiently achieve its goal of comparing foreign exposure data across institutions and country sets.

Differences in wording and interpretation between the FFIEC 009 and the FFIEC 019 not only threaten the comparability of data across institutions, but also cause significant operational burdens for international banks with a branch or agency in the United States. For example,

¹ 86 Fed. Reg. 24619 (May 7, 2021)

² Id.

The IIB is the only national association devoted exclusively to representing and advancing the interests of the international banking community in the United States. Its membership is comprised of internationally headquartered banking and financial institutions from over 35 countries around the world doing business in the United States. The IIB’s mission is to help resolve the many special legislative, regulatory, tax, and compliance issues confronting internationally headquartered institutions that engage in banking, securities and other financial activities in the United States. Through its advocacy efforts the IIB seeks results that are consistent with the U.S. policy of national treatment and appropriately limit the extraterritorial application of U.S. laws to the global operations of its member institutions.



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those international banks with intermediate holding companies who are required to file both the FFIEC 019 and the FFIEC 009 have to maintain country exposure data in different ways because of the differences in the reporting forms without any apparent reason for the difference. In addition, aligning the FFIEC 019 form with the FFIEC 009 will create greater consistency and less burden for institutions reporting cross jurisdictional data on the Systemic Risk Report (FR Y-15), which is based on FFIEC 009 definitions.

Accordingly, we ask that in addition to the changes currently proposed the Federal Reserve take the opportunity to update the FFIEC 019 to be consistent with the FFIEC 009. Some suggested updates to the instructions include:

- adding sections on accounting and differences from U.S. GAAP;
- updating the section on Claims by add clarifying information regarding the definition of “claims”;
- inserting instructions related to Indirect Claims including instructions related to required risk transfers (e.g., guarantees, insurance policies, and head offices), collateralized claims, debt and equity securities, netting and offsetting, reporting credit derivatives, and treatment of multi-name credit derivatives; and
- inserting specific instructions for allocating claims to the rows.

* * *

We appreciate your consideration of the issues raised in this letter and stand ready to provide any further information that may be helpful. Please contact the undersigned (646-213-1149, swebster@iib.org) or Briget Polichene (646-213-1147, bpolichene@iib.org) with any questions.

Very truly yours,

A handwritten signature in black ink that reads 'Stephanie Webster'.

Stephanie Webster
General Counsel