

# Rules and Regulations

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This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

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## FEDERAL RESERVE SYSTEM

### 12 CFR Part 204

[Regulation D; Docket No. R-1395]

RIN AD71-0057

#### Reserve Requirements of Depository Institutions

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** The Board is amending Regulation D, Reserve Requirements of Depository Institutions, to reflect the annual indexing of the reserve requirement exemption amount and the low reserve tranche for 2011. The Regulation D amendments set the amount of total reservable liabilities of each depository institution that is subject to a zero percent reserve requirement in 2011 at \$10.7 million, unchanged from its level in 2010. This amount is known as the reserve requirement exemption amount. The Regulation D amendments also set the amount of net transaction accounts at each depository institution that is subject to a three percent reserve requirement in 2011 at \$58.8 million, up from \$55.2 million in 2010. This amount is known as the low reserve tranche. The adjustments to both of these amounts are derived using statutory formulas specified in the Federal Reserve Act.

The Board is also announcing changes in two other amounts, the nonexempt deposit cutoff level and the reduced reporting limit, that are used to determine the frequency at which depository institutions must submit deposit reports.

**DATES:** *Effective Date:* November 26, 2010.

*Compliance Dates:* For depository institutions that report deposit data weekly, the new low reserve tranche

and reserve requirement exemption amount will apply to the fourteen-day reserve computation period that begins Tuesday, November 30, 2010, and the corresponding fourteen-day reserve maintenance period that begins Thursday, December 30, 2010. For depository institutions that report deposit data quarterly, the new low reserve tranche and reserve requirement exemption amount will apply to the seven-day reserve computation period that begins Tuesday, December 21, 2010, and the corresponding seven-day reserve maintenance period that begins Thursday, January 20, 2011. For all depository institutions, these new values of the nonexempt deposit cutoff level, the reserve requirement exemption amount, and the reduced reporting limit will be used to determine the frequency at which a depository institution submits deposit reports effective in either June or September 2011.

**FOR FURTHER INFORMATION CONTACT:** Sophia Allison, Senior Counsel (202/452-3565), Legal Division, or Mary-Frances Styczynski, Financial Analyst (202/452-33033), Division of Monetary Affairs; for users of Telecommunications Device for the Deaf (TDD) only, contact (202/263-4869); Board of Governors of the Federal Reserve System, 20th and C Streets, NW., Washington, DC 20551.

**SUPPLEMENTARY INFORMATION:** Section 19(b)(2) of the Federal Reserve Act (12 U.S.C. 461(b)(2)) requires each depository institution to maintain reserves against its transaction accounts and nonpersonal time deposits, as prescribed by Board regulations, for the purpose of implementing monetary policy. Section 11(a)(2) of the Federal Reserve Act (12 U.S.C. 248(a)(2)) authorizes the Board to require reports of liabilities and assets from depository institutions to enable the Board to conduct monetary policy. The Board's actions with respect to each of these provisions are discussed in turn below.

#### 1. Reserve Requirements

Pursuant to section 19(b) of the Federal Reserve Act (Act), transaction account balances maintained at each depository institution are subject to reserve requirement ratios of zero, three, or ten percent. Section 19(b)(11)(A) of the Act (12 U.S.C. 461(b)(11)(A)) provides that a zero percent reserve

requirement shall apply at each depository institution to total reservable liabilities that do not exceed a certain amount, known as the reserve requirement exemption amount. Section 19(b)(11)(B) provides that, before December 31 of each year, the Board shall issue a regulation adjusting the reserve requirement exemption amount for the next calendar year if total reservable liabilities held at all depository institutions increase from one year to the next. No adjustment is made to the reserve requirement exemption amount if total reservable liabilities held at all depository institutions should decrease during the applicable time period. The Act requires the percentage increase in the reserve requirement exemption amount to be 80 percent of the increase in total reservable liabilities of all depository institutions over the one-year period that ends on the June 30 prior to the adjustment.

Total reservable liabilities of all depository institutions decreased about 1.0 percent (from \$4,961 billion to \$4,914 billion) between June 30, 2009, and June 30, 2010. Accordingly, the Board is amending Regulation D to set the reserve requirement exemption amount for 2011 at \$10.7 million, unchanged from its level in 2010.<sup>1</sup>

Pursuant to Section 19(b)(2) of the Act (12 U.S.C. 461(b)(2)), transaction account balances maintained at each depository institution over the reserve requirement exemption amount and up to a certain amount, known as the low reserve tranche, are subject to a three percent reserve requirement. Transaction account balances over the low reserve tranche are subject to a ten percent reserve requirement. Section 19(b)(2) also provides that, before December 31 of each year, the Board shall issue a regulation adjusting the low reserve tranche for the next calendar year. The Act requires the adjustment in the low reserve tranche to be 80 percent of the percentage increase or decrease in total transaction accounts of all depository institutions over the one-year period that ends on the June 30 prior to the adjustment.

Net transaction accounts of all depository institutions increased 8.0

<sup>1</sup> Consistent with Board practice, the low reserve tranche and reserve requirement exemption amounts have been rounded to the nearest \$0.1 million.

percent (from \$870 billion to \$941 billion) between June 30, 2009 and June 30, 2010. Accordingly, the Board is amending Regulation D to increase the low reserve tranche for net transaction accounts by \$3.6 million, from \$55.2 million for 2010 to \$58.8 million for 2011.

For depository institutions that file deposit reports weekly, the new low reserve tranche and reserve requirement exemption amount will be effective for the fourteen-day reserve computation period beginning Tuesday, November 30, 2010, and for the corresponding fourteen-day reserve maintenance period beginning Thursday, December 30, 2010. For depository institutions that report quarterly, the new low reserve tranche and reserve requirement exemption amount will be effective for the seven-day reserve computation period beginning Tuesday, December 21, 2010, and for the corresponding seven-day reserve maintenance period beginning Thursday, January 20, 2011.

## 2. Deposit Reports

Section 11(b)(2) of the Federal Reserve Act authorizes the Board to require depository institutions to file reports of their liabilities and assets as the Board may determine to be necessary or desirable to enable it to discharge its responsibility to monitor and control the monetary and credit aggregates. The Board screens depository institutions each year and assigns them to one of four deposit reporting panels (weekly reporters, quarterly reporters, annual reporters, or nonreporters). The panel assignment for annual reporters is effective in June of the screening year; the panel assignment for weekly and quarterly reporters is effective in September of the screening year.

In order to ease reporting burden, the Board permits smaller depository institutions to submit deposit reports less frequently than larger depository institutions. The Board permits depository institutions with net transaction accounts above the reserve requirement exemption amount but total transaction accounts, savings deposits, and small time deposits below a specified level (the "nonexempt deposit cutoff") to report deposit data quarterly. Depository institutions with net transaction accounts above the reserve requirement exemption amount but with total transaction accounts, savings deposits, and small time deposits above the nonexempt deposit cutoff are required to report deposit data weekly.

The Board requires certain large depository institutions to report weekly regardless of the level of their net transaction accounts if the depository institution's total transaction accounts, savings deposits, and small time deposits exceeds a specified level (the "reduced reporting limit"). The nonexempt deposit cutoff level and the reduced reporting limit are adjusted annually, by an amount equal to 80 percent of the increase, if any, in total transaction accounts, savings deposits, and small time deposits of all depository institutions over the one-year period that ends on the June 30 prior to the adjustment.

From June 30, 2009 to June 30, 2010, total transaction accounts, savings deposits, and small time deposits at all depository institutions increased 5 percent (from \$7,128 billion to \$7,475 billion). Accordingly, the Board is increasing the nonexempt deposit cutoff level by \$9.5 million to \$252.6 million for 2011 (up from \$243.1 million in 2010). The Board is also increasing the reduced reporting limit by \$53 million to \$1.415 billion in 2011 (up from \$1.362 billion for 2010).<sup>2</sup>

Beginning in 2011, the boundaries of the four deposit reporting panels will be defined as follows. Those depository institutions with net transaction accounts over \$10.7 million (the reserve requirement exemption amount) or with total transaction accounts, savings deposits, and small time deposits greater than or equal to \$1.415 billion (the reduced reporting limit) are subject to detailed reporting, and must file a Report of Transaction Accounts, Other Deposits and Vault Cash (FR 2900 report) either weekly or quarterly. Of this group, those with total transaction accounts, savings deposits, and small time deposits greater than or equal to \$252.6 million (the nonexempt deposit cutoff level) are required to file the FR 2900 report each week, while those with total transaction accounts, savings deposits, and small time deposits less than \$252.6 million are required to file the FR 2900 report each quarter. Those depository institutions with net transaction accounts less than or equal to \$10.7 million (the reserve requirement exemption amount) and with total transaction accounts, savings deposits, and small time deposits less than \$1.415 billion (the reduced reporting limit) are eligible for reduced reporting, and must either file a deposit report annually or not at all. Of this group, those with total deposits greater than \$10.7 million (but with total

transaction accounts, savings deposits, and small time deposits less than \$1.415 billion) are required to file the Annual Report of Deposits and Reservable Liabilities (FR 2910a) report annually, while those with total deposits less than or equal to \$10.7 million are not required to file a deposit report. A depository institution that adjusts reported values on its FR 2910a report in order to qualify for reduced reporting will be shifted to an FR 2900 reporting panel.

*Notice and Regulatory Flexibility Act.* The provisions of 5 U.S.C. 553(b) relating to notice of proposed rulemaking have not been followed in connection with the adoption of these amendments. The amendments involve expected, ministerial adjustments prescribed by statute and by the Board's policy concerning reporting practices. The adjustments in the reserve requirement exemption amount, the low reserve tranche, the nonexempt deposit cutoff level, and the reduced reporting limit serve to reduce regulatory burdens on depository institutions. Accordingly, the Board finds good cause for determining, and so determines, that notice in accordance with 5 U.S.C. 553(b) is unnecessary. Consequently, the provisions of the Regulatory Flexibility Act, 5 U.S.C. 601, do not apply to these amendments.

### List of Subjects in 12 CFR Part 204

Banks, banking, Reporting and recordkeeping requirements.

■ For the reasons set forth in the preamble, the Board is amending 12 CFR part 204 as follows:

### PART 204—RESERVE REQUIREMENTS OF DEPOSITORY INSTITUTIONS (REGULATION D)

■ 1. The authority citation for part 204 continues to read as follows:

**Authority:** 12 U.S.C. 248(a), 248(c), 371a, 461, 601, 611, and 3105.

■ 2. Section 204.4(f) is revised to read as follows:

#### § 204.4 Computation of required reserves.

\* \* \* \* \*

(f) For all depository institutions, Edge and Agreement corporations, and United States branches and agencies of foreign banks, required reserves are computed by applying the reserve requirement ratios below to net transaction accounts, nonpersonal time deposits, and Eurocurrency liabilities of the institution during the computation period.

<sup>2</sup> Consistent with Board practice, the nonexempt deposit cutoff level has been rounded to the nearest

\$0.1 million, and the reduced reporting limit has been rounded to the nearest \$1 million.

Reservable liability	Reserve requirement
<b>NET TRANSACTION ACCOUNTS:</b>	
\$0 to reserve requirement exemption amount (\$10.7 million) .....	0 percent of amount.
Over reserve requirement exemption amount (\$10.7 million) and up to low reserve tranche (\$58.8 million).	3 percent of amount.
Over low reserve tranche (\$58.8 million) .....	\$1,443,000 plus 10 percent of amount over \$58.8 million.
Nonpersonal time deposits .....	0 percent.
Eurocurrency liabilities .....	0 percent.

By order of the Board of Governors of the Federal Reserve System, acting through the Director of the Division of Monetary Affairs under delegated authority, October 21, 2010.

**Jennifer J. Johnson,**

*Secretary of the Board.*

[FR Doc. 2010-27014 Filed 10-25-10; 8:45 am]

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**DEPARTMENT OF HEALTH AND HUMAN SERVICES**

**Food and Drug Administration**

**21 CFR Parts 520, 556, and 558**

[Docket No. FDA-2010-N-0002]

**Animal Drugs, Feeds, and Related Products; Withdrawal of Approval of New Animal Drug Applications; Aklomide; Levamisole Hydrochloride; Nitromide and Sulfantran**

**AGENCY:** Food and Drug Administration, HHS.

**ACTION:** Final rule.

**SUMMARY:** The Food and Drug Administration (FDA) is amending the animal drug regulations by removing those portions that reflect approval of eight new animal drug applications

(NADAs). In a notice published elsewhere in this issue of the **Federal Register**, FDA is withdrawing approval of these NADAs.

**DATES:** This rule is effective November 5, 2010.

**FOR FURTHER INFORMATION CONTACT:** John Bartkowiak, Center for Veterinary Medicine (HFV-212), Food and Drug Administration, 7519 Standish Pl., Rockville, MD 20855, 240-276-9079, e-mail: [john.bartkowiak@fda.hhs.gov](mailto:john.bartkowiak@fda.hhs.gov).

**SUPPLEMENTARY INFORMATION:** Fort Dodge Animal Health, a Division of Wyeth Holdings, a Wholly Owned Subsidiary of Pfizer, Inc., 235 East 42d St., New York, NY 10017 has requested that FDA withdraw approval of the eight NADAs listed in Table 1 of this document because they are no longer manufactured or marketed.

TABLE 1

NADA No.	Product	Established name of drug(s)
NADA 11-141 .....	UNISTAT-2 Type A medicated article .....	nitromide and sulfantran.
NADA 14-250 .....	NOVASTAT Type A medicated article .....	aklomide and sulfantran.
NADA 34-536 .....	ALKOMIX Type A medicated article .....	aklomide.
	ALKOMIX-3 Type A medicated article .....	aklomide, sulfantran, and roxarsone.
NADA 34-537 .....	NOVASTAT-3 Type A medicated article .....	aklomide, sulfantran, and roxarsone.
NADA 35-388 .....	NOVASTAT-W Soluble Powder .....	aklomide and sulfantran.
NADA 39-666 .....	UNISTAT-3 Type A medicated article .....	nitromide, sulfantran, and roxarsone.
NADA 44-015 .....	TRAMISOL Type A medicated article .....	levamisole.
NADA 45-455 .....	TRAMISOL Type A medicated article .....	levamisole.

In a notice published elsewhere in this issue of the **Federal Register**, FDA gave notice that approval of NADA 11-141, 14-250, 34-536, 34-537, 35-388, 39-666, 44-015, and 45-455, and all supplements and amendments thereto, is withdrawn, effective November 5, 2010. As provided in the regulatory text of this document, the animal drug regulations are amended to reflect these withdrawals of approval.

This rule does not meet the definition of “rule” in 5 U.S.C. 804(3)(A) because it is a rule of “particular applicability.” Therefore, it is not subject to the congressional review requirements in 5 U.S.C. 801-808.

**List of Subjects**

*21 CFR Part 520*

Animal drugs.

*21 CFR Part 556*

Animal drugs, Foods.

*21 CFR Part 558*

Animal drugs, Animal feeds.

■ Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs and redelegated to the Center for Veterinary Medicine, 21 CFR parts 520, 556, and 558 are amended as follows:

**PART 520—ORAL DOSAGE FORM NEW ANIMAL DRUGS**

■ 1. The authority citation for 21 CFR part 520 continues to read as follows:

**Authority:** 21 U.S.C. 360b.

**§ 520.2320 [Removed]**

■ 2. Remove § 520.2320.

**PART 556—TOLERANCES FOR RESIDUES OF NEW ANIMAL DRUGS IN FOOD**

■ 3. The authority citation for 21 CFR part 556 continues to read as follows:

**Authority:** 21 U.S.C. 342, 360b, 371.

**§ 556.30 [Removed]**

■ 4. Remove § 556.30.