

also proposing updates to definitions in the survey glossary to provide more clarity.

The Board proposes the following revisions to the FR 3064b:

*Remove question about number of merchant establishments (Section I, Question 5).* Because information about the number of locations at which merchants accept payments on the respondent's network is not used in the Board's analysis, the Board is proposing to delete the question.

*Remove question about offering an interchange fee schedules that differentiates between exempt and non-exempt issuers (Section I, Question 6).* This question was originally included to enable the Board to establish whether payment card networks were offering interchange fee schedules that differentiate between issuers based on their status under Regulation II. The existence of such differential fee schedules has been established and can further be inferred from responses to subsequent questions in the survey. As a result, the Board is proposing to remove the question.

*Remove questions about refunds of interchange fees to acquirers for chargebacks and returns (Section II, Question 2b, 2b.1, 2b.2, 2c, 2c.1, 2c.2, 2d, 2d.1, 2d.2, 2e, 2e.1, and 2e.2).*

Currently, the survey poses a series of yes/no questions asking payment card networks if they refund to acquirers the ad valorem component, fixed per-transaction component, or the entire interchange fee for returns and chargebacks that compose an entire purchase transaction or a portion of it. These questions were originally included to address a series of issues that now have been resolved, so the Board is proposing to remove them.

*Update Survey Instructions and Glossary of Terms.* The Board is proposing additional language in the instructions to clarify reporting expectations for entities who own multiple networks. The Board is also proposing updates to definitions in the survey glossary to provide more clarity.

*Legal authorization and confidentiality:* The FR 3064 is authorized by subsection 920(a) of the Electronic Fund Transfer Act, which was amended by section 1075(a) of the Dodd-Frank Act.<sup>2</sup> This statutory provision requires the Board, at least once every two years,<sup>3</sup> to disclose aggregate or summary information concerning the costs incurred and

interchange transaction fees charged or received, by issuers or payment card networks in connection with the authorization, clearance or settlement of electronic debit transaction as the Board considers appropriate and in the public interest.<sup>4</sup> It also provides the Board with authority to require issuers and payment card networks to provide information to enable the Board to carry out the provisions of the subsection.<sup>5</sup> The FR 3064 is mandatory. In accordance with the statutory requirement, the Board releases aggregate or summary information from the survey responses. In addition, the Board releases, at the network level, the percentage of total number of transactions, the percentage of total value of transactions, and the average transaction value for exempt and not-exempt issuers obtained on the FR 3064b. The Board has determined to release this information both because it can already be determined mathematically based on the information the Board currently releases on average interchange fees and because the Board believes the release of such information may be useful to issuers and merchants in choosing payment card networks in which to participate and to policymakers in assessing the effect of Regulation II on the level of interchange fees received by issuers over time.

The remaining individual issuer and payment card information collected on these surveys is kept confidential under exemption (b)(4) of the Freedom of Information Act (FOIA) because, if released, this information would cause substantial harm to the competitive position of the survey respondents.<sup>6</sup>

Board of Governors of the Federal Reserve System, August 7, 2019.

**Michele Taylor Fennell,**  
Assistant Secretary of the Board.

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## FEDERAL RESERVE SYSTEM

### Agency Information Collection Activities: Announcement of Board Approval Under Delegated Authority and Submission to OMB

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

**SUMMARY:** The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend for three

years, without revision, the Investment in Bank Premises Notification (FR 4014; OMB No. 7100-0139).

**FOR FURTHER INFORMATION CONTACT:** Federal Reserve Board Clearance Officer—Nuha Elmaghrabi—Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3829.

Office of Management and Budget (OMB) Desk Officer—Shagufta Ahmed—Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street NW, Washington, DC 20503 or by fax to (202) 395-6974.

**SUPPLEMENTARY INFORMATION:** On June 15, 1984, OMB delegated to the Board authority under the Paperwork Reduction Act (PRA) to approve and assign OMB control numbers to collection of information requests and requirements conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the PRA Submission, supporting statements and approved collection of information instrument(s) are placed into OMB's public docket files. The Board may not conduct or sponsor, and the respondent is not required to respond to, an information collection that has been extended, revised, or implemented on or after October 1, 1995, unless it displays a currently valid OMB control number.

### Final Approval Under OMB Delegated Authority of the Extension for Three Years, Without Revision, of the Following Information Collection

*Report title:* Investment in Bank Premises Notification.

*Agency form number:* FR 4014.

*OMB control number:* 7100-0139.

*Frequency:* Event-generated.

*Respondents:* State member banks.

*Estimated number of respondents:* 15.  
*Estimated average hours per response:*

30 minutes.

*Estimated annual burden hours:* 8.

*General description of report:* The Federal Reserve Act (FRA) and the Board's Regulation H require a state member bank to seek the prior approval of the appropriate Federal Reserve Bank before making an investment in bank premises that exceeds certain thresholds. There is no required reporting form (the FR 4014 designation is for internal purposes only), and each request for prior approval must be filed with the Reserve Bank that has direct supervisory responsibility for the requesting state member bank.

<sup>4</sup> 15 U.S.C. 1693o-2(a)(3)(B).

<sup>5</sup> *Id.*

<sup>6</sup> 5 U.S.C. 552(b)(4) (exempting from disclosure "trade secrets and commercial or financial information obtained from a person and privileged or confidential").

<sup>2</sup> 15 U.S.C. 1693o-2.

<sup>3</sup> The subsection refers to bi-annual disclosures and the Board interprets this to mean once every two years. See 76 FR 43458.

*Legal authorization and confidentiality:* The FR 4014 is authorized by section 24A(a) of the FRA, which requires that state member banks obtain prior Board approval before investing in bank premises that exceed certain statutory thresholds.<sup>1</sup> The FR 4014 notification is required to obtain a benefit because banks wanting to make an investment in bank premises that exceed a certain threshold are required to notify the Federal Reserve. Generally, respondent data would not be confidential; however, individual respondents may request that the data be kept confidential on a case-by-case basis. If a respondent requests confidential treatment, the Board will determine whether the information is entitled to confidential treatment on an ad hoc basis in connection with the request. Any such determination will be made in accordance with the Freedom of Information Act<sup>2</sup> and the Board's rules regarding availability of information.<sup>3</sup>

*Current actions:* On April 12, 2019, the Board published a notice in the **Federal Register** (84 FR 14938) requesting public comment for 60 days on the extension, without revision, of the FR 4014. The comment period for this notice expired on June 11, 2019. The Board did not receive any comments.

Board of Governors of the Federal Reserve System, August 7, 2019.

**Michele Taylor Fennell,**

*Assistant Secretary of the Board.*

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## FEDERAL RESERVE SYSTEM

### Agency Information Collection Activities: Announcement of Board Approval Under Delegated Authority and Submission to OMB

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

**SUMMARY:** The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend for three years, without revision, the Reporting, Recordkeeping, and Disclosure Requirements Associated with Regulation NN (FR NN; OMB No. 7100-0353).

**FOR FURTHER INFORMATION CONTACT:** Federal Reserve Board Clearance

Officer—Nuha Elmaghribi—Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3829.

Office of Management and Budget (OMB) Desk Officer—Shagufta Ahmed—Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17th Street NW, Washington, DC 20503, or by fax to (202) 395-6974.

A copy of the Paperwork Reduction Act (PRA) OMB submission, including the reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files. These documents also are available on the Federal Reserve Board's public website at <https://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears above.

**SUPPLEMENTARY INFORMATION:** On June 15, 1984, OMB delegated to the Board authority under the PRA to approve and assign OMB control numbers to collections of information conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the PRA Submission, supporting statements, and approved collection of information instrument(s) are placed into OMB's public docket files.

### Final Approval Under OMB Delegated Authority of the Extension for Three Years, Without Revision, of the Following Information Collection

*Report title:* Reporting, Recordkeeping, and Disclosure Requirements Associated with Regulation NN.

*Agency form number:* FR NN.

*OMB control number:* 7100-0353.

*Frequency:* Event generated.

*Respondents:* Banking institutions.

*Estimated number of respondents:*

Reporting: 1; recordkeeping: 2; disclosure: 2.

*Estimated average hours per response:* Reporting: 16; recordkeeping: 183; disclosure: 787.

*Estimated annual burden hours:* Reporting: 16; recordkeeping: 366; disclosure, 1,574; total: 1,956.

*General description of report:* Regulation NN includes certain reporting, recordkeeping, and disclosure requirements for banking institutions that elect to provide foreign currency exchange services to retail consumers. The regulation applies to state member banks, uninsured state-licensed

branches of foreign banks, financial holding companies, bank holding companies, savings and loan holding companies, agreement corporations, and Edge Act corporations (collectively, "banking institutions") that engage in retail foreign exchange transactions.

*Legal authorization and confidentiality:* The reporting, recordkeeping, and disclosure requirements in Regulation NN are authorized pursuant to section 2(c)(2)(E) of the Commodity Exchange Act (CEA) (7 U.S.C. 2(c)(2)(E)). Section 2(c)(2)(E) of the CEA prohibits a United States financial institution and its related persons under the supervision of a Federal regulatory agency, such as the Board, from offering or entering into certain types of foreign exchange transactions with retail customers except pursuant to a rule or regulation prescribed by the appropriate Federal regulatory agency allowing the transaction under such terms and conditions as the Federal regulatory agency shall prescribe.

Regulation NN's reporting requirement (12 CFR 240.4), recordkeeping requirements (12 CFR 240.7, 240.9(b)(2), and 240.13(a)) and disclosure requirements (240.5(a), 240.6, 240.7, 240.9(b)(2), 240.10, 240.13(a) & (c)-(d), 240.15, and 240.16(a) and (b)) are mandatory for banking institutions that engage in retail foreign exchange transactions.

The reporting requirement under section 240.4 of Regulation NN requires a banking institution to provide a prior written notice to the Board that includes information concerning customer due diligence; the policies and procedures for haircuts to be applied to noncash margin; information concerning new product approvals; and information on addressing conflicts of interest. The disclosure of this information is reasonably likely to result in substantial competitive harm to the banking institution, and therefore, may be kept confidential under exemption (b)(4) of the Freedom of Information Act (FOIA), which protects "trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential" (5 U.S.C. 552(b)(4)). In addition, the prior written notice must also include a resolution of the banking institution's board of directors certifying that the institution has written policies, procedures, and risk measurement and management systems and controls in place to ensure retail foreign exchange transactions are conducted in a safe and sound manner and in compliance with Regulation NN. Generally, this resolution by the board of directors would not be accorded

<sup>1</sup> 12 U.S.C. 371d(a). The Board has the authority to require state member banks to submit information as the Board deems necessary (12 U.S.C. 248(a)).

<sup>2</sup> 5 U.S.C. 552.

<sup>3</sup> 12 CFR 261.