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2(h)(2) company and DPC branch subsidiary, if applicable) as reported on the FR Y-7Q. In calculating U.S. non-branch assets, a foreign banking organization must reduce its U.S. non-branch assets by the amount corresponding to balances and transactions between a top-tier U.S. subsidiary and any other top-tier U.S. subsidiary (excluding any 2(h)(2) company or DPC branch subsidiary) to the extent such items are not already eliminated in consolidation.

U.S. subsidiary means any subsidiary that is incorporated in or organized under the laws of the United States or any State, commonwealth, territory, or possession of the United States, the Commonwealth of Puerto Rico, the Commonwealth of the North Mariana Islands, American Samoa, Guam, or the United States Virgin Islands.

Weighted short-term wholesale funding is equal to the weighted short-term wholesale funding of a banking organization, as reported on the FR Y-15.

[84 FR 59096, Nov. 1, 2019]

§ 252.3 Reservation of authority.

(a) *In general.* Nothing in this part limits the authority of the Board under any provision of law or regulation to impose on any company additional enhanced prudential standards, including, but not limited to, additional risk-based or leverage capital or liquidity requirements, leverage limits, limits on exposures to single counterparties, risk-management requirements, stress tests, or other requirements or restrictions the Board deems necessary to carry out the purposes of this part or Title I of the Dodd-Frank Act, or to take supervisory or enforcement action, including action to address unsafe and unsound practices or conditions, or violations of law or regulation.

(b) *Modifications or extensions of this part.* The Board may extend or accelerate any compliance date of this part if the Board determines that such extension or acceleration is appropriate. In determining whether an extension or acceleration is appropriate, the Board will consider the effect of the modification on financial stability, the period of time for which the modification would be necessary to facilitate compliance with this part, and the ac-

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tions the company is taking to come into compliance with this part.

(c) *Reservation of authority for certain foreign banking organizations.* The Board may permit a foreign banking organization to comply with the requirements of this part through a subsidiary. In making this determination, the Board shall consider:

(1) The ownership structure of the foreign banking organization, including whether the foreign banking organization is owned or controlled by a foreign government;

(2) Whether the action would be consistent with the purposes of this part; and

(3) Any other factors that the Board determines are relevant.

[Reg. YY, 79 FR 17315, Mar. 27, 2014, as amended at 84 FR 59098, Nov. 1, 2019]

§ 252.4 Nonbank financial companies supervised by the Board.

(a) *U.S. nonbank financial companies supervised by the Board.* The Board will establish enhanced prudential standards for a nonbank financial company supervised by the Board that is incorporated in or organized under the laws of the United States or any State (U.S. nonbank financial company) by rule or order. In establishing such standards, the Board will consider the factors set forth in sections 165(a)(2) and (b)(3) of the Dodd-Frank Act, including:

(1) The nature, scope, size, scale, concentration, interconnectedness, and mix of the activities of the U.S. nonbank financial company;

(2) The degree to which the U.S. nonbank financial company is already regulated by one or more primary financial regulatory agencies; and

(3) Any other risk-related factor that the Board determines is appropriate.

(b) *Foreign nonbank financial companies supervised by the Board.* The Board will establish enhanced prudential standards for a nonbank financial company supervised by the Board that is organized or incorporated in a country other than the United States (foreign nonbank financial company) by rule or order. In establishing such standards, the Board will consider the factors set forth in sections 165(a)(2), (b)(2), and (b)(3) of the Dodd-Frank Act, including:

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(1) The nature, scope, size, scale, concentration, interconnectedness, and mix of the activities of the foreign nonbank financial company;

(2) The extent to which the foreign nonbank financial company is subject to prudential standards on a consolidated basis in its home country that are administered and enforced by a comparable foreign supervisory authority; and

(3) Any other risk-related factor that the Board determines is appropriate.

§ 252.5 Categorization of banking organizations.

(a) *General.* (1) A U.S. bank holding company with average total consolidated assets of \$100 billion or more must determine its category among the four categories described in paragraphs (b) through (e) of this section at least quarterly.

(2) A U.S. intermediate holding company with average total consolidated assets of \$100 billion or more must determine its category among the three categories described in paragraphs (c) through (e) of this section at least quarterly.

(3) A foreign banking organization with average total consolidated assets of \$100 billion or more and average combined U.S. assets of \$100 billion or more must determine its category among the three categories described in paragraphs (c) through (e) of this section at least quarterly.

(b) *Global systemically important BHC.* A banking organization is a global systemically important BHC if it is identified as a global systemically important BHC pursuant to 12 CFR 217.402.

(c) *Category II.* (1) A banking organization is a Category II banking organization if the banking organization:

(i) Has:

(A)(1) For a U.S. bank holding company or a U.S. intermediate holding company, \$700 billion or more in average total consolidated assets;

(2) For a foreign banking organization, \$700 billion or more in average combined U.S. assets; or

(B)(1) \$75 billion or more in average cross-jurisdictional activity; and

(2)(i) For a U.S. bank holding company or a U.S. intermediate holding

company, \$100 billion or more in average total consolidated assets; or

(ii) For a foreign banking organization, \$100 billion or more in average combined U.S. assets; and

(ii) Is not a global systemically important BHC.

(2) After meeting the criteria in paragraph (c)(1) of this section, a banking organization continues to be a Category II banking organization until the banking organization:

(i) Has:

(A)(1) For a U.S. bank holding company or a U.S. intermediate holding company, less than \$700 billion in total consolidated assets for each of the four most recent calendar quarters; or

(2) For a foreign banking organization, less than \$700 billion in combined U.S. assets for each of the four most recent calendar quarters; and

(B) Less than \$75 billion in cross-jurisdictional activity for each of the four most recent calendar quarters;

(ii) Has:

(A) For a U.S. bank holding company or a U.S. intermediate holding company, less than \$100 billion in total consolidated assets for each of the four most recent calendar quarters;

(B) For a foreign banking organization, less than \$100 billion in combined U.S. assets for each of the four most recent calendar quarters; or

(iii) Meets the criteria in paragraph (b) to be a global systemically important BHC.

(d) *Category III.* (1) A banking organization is a Category III banking organization if the banking organization:

(i) Has:

(A)(1) For a U.S. bank holding company or a U.S. intermediate holding company, \$250 billion or more in average total consolidated assets; or

(2) For a foreign banking organization, \$250 billion or more in average combined U.S. assets; or

(B)(1)(i) For a U.S. bank holding company or a U.S. intermediate holding company, \$100 billion or more in average total consolidated assets; or

(ii) For a foreign banking organization, \$100 billion or more in average combined U.S. assets; and

(2) At least:

(i) \$75 billion in average total nonbank assets;