

FR 2950

INSTRUCTIONS FOR PREPARATION OF THE REPORT OF CERTAIN EUROCURRENCY TRANSACTIONS FOR ALL DEPOSITORY INSTITUTIONS OTHER THAN U.S. BRANCHES AND AGENCIES OF FOREIGN BANKS

Section 1 below contains general instructions and guidelines, which provide the basic framework for reporting on the Report of Certain Eurocurrency Transactions (FR 2950) and which describe, in general, the nature of reservable Eurocurrency liabilities and the specific procedures for reporting these liabilities.

Section 2 contains item-by-item instructions for completing the FR 2950. This section describes the coverage of each item to be reported and specifies the categories of deposits to be included or excluded from each item.

Items that appear underlined throughout these instructions can be found in the Glossary that appears at the end of the FR 2900 instructions.

Public *reporting burden* for this collection of information is estimated to vary from 0.2 to 5 hours per response, with an average of 1 hour per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden, to Secretary, Board of Governors of the Federal Reserve System, 20th and C Streets, N.W., Washington, D.C. 20551; and to the Office of Management and Budget, Paperwork Reduction Project (7100-0087), Washington, D.C. 20503.

SECTION I--GENERAL INSTRUCTIONS

A. Who Must Report.

A report of Certain Eurocurrency Transactions (FR 2950) must be submitted to the Federal Reserve Bank in whose District the reporting institution is located by the following:

- A.1. All banking Edge and agreement corporations with foreign (non-U.S.) branches, with an International Banking Facility (IBF), or with outstanding borrowings from other non-U.S. institutions.
- A.2. All other depository institutions (other than U.S. branches and agencies of foreign banks)¹ that submit the FR 2900 *and* that have foreign (non-U.S.) branches, an International Banking Facility (IBF), or outstanding borrowings from other non-U.S. institutions.

The FR 2950 is submitted on the same frequency-either weekly or quarterly-as the institution's FR 2900. The reporting week is a seven-day period that begins on Tuesday and ends on the following Monday.

B. How to Report.

The report should be prepared in accordance with the following procedures:

B.1. Consolidation.

- a. For banking Edge and agreement corporations, an FR 2950 shall be prepared that combines, on an aggregated basis, the accounts of all offices (excluding the corporation's IBF accounts) of the corporation operating:

- (1) within the same state, and
- (2) within the same Federal Reserve District.

This combination, which may be comprised of one or more offices, is referred to as the "reporting institution."

- b. For other depository institutions, a consolidated FR 2950 report must be prepared combining accounts of the following entities:

- (1) the head office of the institution (excluding the bank's IBF accounts);
- (2) all branches of the institution located in the 50 states of the United States or the District of Columbia; and
- (3) all operation subsidiaries of the institution located in the 50 states of the United States or the District of Columbia. Note, however, that banking Edge and Agreement subsidiaries must report separately and should *not* be consolidated as operation subsidiaries.

1. A different version of the Eurocurrency report-FR 2951-is filed by U.S. branches and agencies of foreign banks.

This consolidation method is identical to that used for the Report of Transaction Accounts, Other Deposits and Vault Cash (FR 2900).

Preparing a consolidated report involves two steps:

1. Combining all comparable accounts of the individual entities to be consolidated on an account-by-account basis; and
2. eliminating all intrabank or intracorporation transactions that reflect the existence of debtor-creditor relationships among the entities to be consolidated.

B.2. Denomination. All balances should be rounded and reported to the nearest thousand U.S. dollars.

B.3. Foreign (non-U.S.) currency-denominated transactions. Transactions denominated in non-U.S. currency must be valued in U.S. dollars *each reporting week* either by using the exchange rate prevailing on the Tuesday that begins the seven-day reporting week or by using the exchange rate prevailing on each corresponding day of the reporting week.

Regardless of which of the above two options is elected, the exchange rates to be used for this conversion are either the 10:00 a.m. rates quoted for major currencies by the Federal Reserve Bank of New York, or the noon buying rates certified by the Federal Reserve Bank of New York for customs purposes, or some other consistent series of exchange rate quotations. These procedures will apply to all foreign-currency deposits that are outstanding during any one day of the reporting week, including those that are received by the depository institution after the start of the reporting week (Tuesday) or paid out before the close of the reporting week (the following Monday).

Once a depository institution chooses to value foreign currency transactions by using either the weekly (Tuesday) method or the daily (corresponding day) method, it must use that method consistently over time for all Federal Reserve reports. If at some future time thereafter the depository institution wishes to change its valuation procedure from one of these two methods to the other, the change must be applied to all Federal Reserve reports and then used consistently thereafter. Please notify your Federal Reserve Bank of any such change.

B.4. Recordkeeping. The amounts reported for each day should reflect the amount outstanding at the “close of business” for that day. The term “close of business” refers to the time established by the reporting institution as the cut-off time for posting transactions to its general ledger accounts for that day. The time designated as close of business should be reasonable and applied consistently. For any day on which the reporting institution was closed, report the closing balance as of the preceding day.

For purposes of this report, the reporting institution is open when entries are made to the general ledger accounts of the institution for the day on which the transaction is conducted.

A more detailed discussion of recordkeeping can be found in Part I, Section 1, Subsection C.6 of the FR 2900 instructions.

C. Amount to be Reported.

The amount to be reported is the dollar amount outstanding at the close of business each day of:

1. Gross borrowings from non-U.S. offices of other depository institutions and from certain designated non-U.S. entities;
2. Gross liabilities to own non-U.S. branches plus net liabilities to own IBF;
3. Gross claims on own non-U.S. branches plus net claims on own IBF;
4. Assets held by own non-U.S. branches and own IBF that were acquired from U.S. offices;¹ and
5. Credit extended by own non-U.S. branches to U.S. residents (other than to depository institutions).

The amounts reported will be used to assess reserve requirements at ratios that the Board of Governors of the Federal Reserve System may, from time to time, prescribe. In order to avoid the inadvertent imposition of duplicate reserve requirements, the amounts reported on this report should not be included in any item on the Report of Transaction Accounts, Other Deposits and Vault Cash (FR 2900).

1. Do not include assets (1) that were acquired before October 7, 1979, or (2) that were acquired by an IBF from its establishing entity before the end of the second 14-day reserve computation period after establishment of the IBF.

SECTION 2-ITEM-BY-ITEM INSTRUCTIONS

Reporting institutions that *do not* maintain branches outside the 50 states of the United States and the District of Columbia or that *do not* have an IBF but that have outstanding borrowings from [non-U.S.](#) offices of other [U.S.](#) and [non-U.S. depository institutions](#) or from certain other designated [non-U.S.](#) entities need only complete Item 1 of this report. Reporting institutions that have [non-U.S.](#) branches or an IBF should complete all items and should use zeros where appropriate. A reporting institution that has no outstanding balances to report in any item and that has filed an FR 2950 report in the past should check the box on the upper left portion of the reporting form, sign the report, and return it to the Federal Reserve Bank.

Item 1--Gross Borrowings from Non-U.S. Offices of Other Depository Institutions and from Certain Designated Non-U.S. Entities. Report in this item all outstanding borrowings by the reporting institution that were obtained from:

- A. [Non-U.S.](#) banking offices of other [U.S.](#) and [non-U.S. depository institutions](#),¹ including:
1. a [non-U.S.](#) holding company, *if* the holding company is a bank;
 2. a banking subsidiary of a [non-U.S.](#) holding company regardless of whether the holding company is a bank;
 3. a [non-U.S. bank's non-U.S.](#) banking subsidiary; and
 4. a [non-U.S.](#) branch of:
 - (a) a [U.S. depository institution](#); and
 - (b) an [Edge or agreement corporation](#).
- B. [Foreign \(non-U.S.\) national governments](#) and [foreign official banking institutions](#); and
- C. [International institutions](#).

All borrowings are to be reported on a gross basis.

Borrowings from [non-U.S.](#) banking offices of other banks should be reported in this item regardless of the terminology used to describe such borrowings, including transactions that are referred to as “Federal funds.”

Include in this item as borrowings:

1. obligations such as promissory notes, acknowledgments of advance, or similar obligations (including the proceeds from loan strips);
2. due bills or similar obligations that remain uncollateralized after three business days; and,

1. Reporting institutions that are subsidiaries of [non-U.S. depository institutions](#) should report gross any borrowings from the [non-U.S.](#) parent in this item.

3. overdrawn balances at non-U.S. offices of other banks.

Exclude from this item (1) any liability of the IBF; or (2) any liability actually in the form of and recorded on the books of the reporting institution as a demand deposit, savings deposit, or time deposit (including certificates of deposit); or (3) assets of the reporting institution that represent obligations fully guaranteed as to principal and interest by the U.S. Government or a Federal agency, sold under an agreement to repurchase.

Item 2--Gross Liabilities to Own Non-U.S. Branches Plus Net Liabilities to Own IBF.

Report in this item the outstanding balance at the close of business each day of gross liabilities of the reporting institution's U.S. offices to non-U.S. branches of the reporting institution. The net position of the establishing entity with its IBF should be reported in this line only if it is a net "due to." (See instructions after Item 3 for the calculation of the reporting institution's net position with its IBF.) All liabilities to non-U.S. branches should be reported gross and not netted against claims. (Claims are reported gross in Item 3). These liabilities include, among other items:

1. funds placed on deposit at the head office or other U.S. offices of the reporting institution by non-U.S. branches, whether in the form of demand or time deposits;
2. borrowings by the head office or other U.S. offices of the reporting institution from the reporting institution's non-U.S. branches;
3. overdrawn deposit accounts of the head office or other U.S. offices of the reporting institution at non-U.S. branches (note that such overdrawn accounts should not be treated as negative balances in Item 3);
4. assets (other than U.S. government or federal agency securities) sold under agreements to repurchase by the reporting institution to its non-U.S. branches.
5. the proceeds from loan strips sold to the reporting institution's non-U.S. branches; and
6. other liabilities to own non-U.S. branches, such as those resulting from clearing activities, payments related to foreign exchange transactions, bankers acceptance transactions, and other activities.

In addition, include in this item the reporting institution's *net* liabilities, if any, to its own IBF. For calculation of this amount, please see the section entitled "Calculation of net due to/due from own IBF" that appears immediately following the instructions for Item 3 of this report.

Item 3--Gross Claims on Own Non-U.S. Branches Plus Net Claims on own IBF.

Report in this item the outstanding balance at the close of business each day of gross claims of the reporting institution's U.S. offices on non-U.S. branches of the reporting institution. The net position of the establishing entity with its IBF should be reported in this line if it is a net "due from". (See instructions below for the calculation of the reporting institution's net position with its IBF). All claims on non-U.S. branches should be reported gross and not netted against liabilities. (Liabilities are reported gross in Item 2.) These claims include, among other items:

1. funds placed on deposit by the head office and other U.S. offices of the reporting institution at non-U.S. branches, whether in the form of demand or time deposits;

2. funds advanced by the head office and by other [U.S.](#) offices of the reporting institution to [non-U.S.](#) branches;
3. overdrawn deposit accounts of the reporting institution's [non-U.S.](#) branches at the head office and at other [U.S.](#) offices of the reporting institution (note that such overdrawn accounts should not be treated as negative balances in Item 2);
4. assets (other than [U.S.](#) government or federal agency securities) purchased by the reporting institution from its own [non-U.S.](#) branches under an agreement to resell; and
5. other claims on own [non-U.S.](#) branches, such as those resulting from clearing activities, foreign exchange transactions, [bankers acceptance](#) transactions, unremitted branch earnings and other activities.

In addition, include in this item the reporting institution's *net* claims, if any, on its own IBF. For calculation of this amount, please see the section entitled "Calculation of net due to/due from own IBF" that appears immediately below.

Calculation of net due to/due from own IBF

To determine whether you have net liabilities due to your own IBF to be reported in Item 2, or net claims on your own IBF to be reported in Item 3, it is necessary to perform the following calculations using asset and liability accounts of your own IBF:

1. Compute IBF liabilities to parties other than U.S. offices of the establishing entity *minus* IBF assets due from parties other than U.S. offices of the establishing entity.
2. If the difference calculated in (1) is positive, it represents, on the books of the IBF, net balances due from U.S. offices of the establishing entity. For purposes of this report, it represents the *establishing entity's net liabilities due to own IBF* and should be included in Item 2.
3. If the difference calculated in (1) is negative, its absolute value represents, on the books of the IBF, net balances due to U.S. offices of the establishing entity. For purposes of this report, its absolute value represents the *establishing entity's net claims on its own IBF* and should be included in Item 3.

Item 4--Assets Held by Own IBF and Own Non-U.S. Branches Acquired from U.S. Offices.

Report in this item the amount of outstanding funds received by the reporting institution for assets acquired and still held by the reporting institution's own IBF, by own [non-U.S.](#) offices, by [non-U.S.](#) offices of an [affiliated Edge or agreement corporation](#), that were acquired from the reporting institution's [U.S.](#) offices. In addition, for [Edge or agreement corporations](#), include the amount of outstanding funds received by the reporting institution for assets acquired and still held by [non-U.S.](#) offices of the reporting institution's [U.S.](#) or [non-U.S.](#) parent institution.¹

1. Do not include those assets (1) that were acquired before October 7, 1979, or (2) that were acquired by an IBF from its establishing entity before the end of the second 14-day reserve computation period after establishment of the IBF.

The amount reported here includes assets that are claims on both [U.S.](#) and [non-U.S.](#) entities.

Include such assets as:

1. loans and securities sold outright by [U.S.](#) offices of the reporting institution to its own IBF or its own [non-U.S.](#) branches; and
2. participations in loans and other assets acquired by the reporting institution's own IBF or [non-U.S.](#) branches.

Do not include in this item sales of assets under agreements to repurchase by [U.S.](#) offices to the reporting institution's [non-U.S.](#) branches. Such transactions should be reported in Item 2.

Item 5--Credit Extended by Own Non-U.S. Branches to U.S. Residents. Report in this item the amount of credit extended directly by the reporting institution's [non-U.S.](#) branches to [U.S.](#) residents, regardless of where the proceeds will be used. However, if the amount of credit extended to [U.S.](#) residents by any single [non-U.S.](#) branch did not exceed \$1 million at any time during the computation period, the amount for that branch should not be reported. In addition, if the aggregate amount of credit extended to any particular [U.S.](#) resident by all [non-U.S.](#) branches did not exceed \$100,000, the amount of credit to that [U.S.](#) resident should not be reported. Also, *do not include* as credit extended to [U.S.](#) residents:

1. amounts reported in Item 4 representing credit to [U.S.](#) residents acquired from [U.S.](#) offices of the reporting institution;
2. credit extended to other [depository institutions](#), to banking [Edge and agreement corporations](#) or to [U.S. branches and agencies of non-U.S. banks](#);
3. credit extended to an IBF; and
4. credit extended to a [non-U.S.](#) branch, office, subsidiary, [affiliate](#) or other foreign establishment controlled by one or more [U.S.](#) corporations if the proceeds of the credit will be used to finance its [non-U.S.](#) operations, even if the credit is guaranteed by the [U.S.](#) corporation.