

FEDERAL RESERVE SYSTEM

12 CFR Ch. II

Semiannual Regulatory Flexibility Agenda

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Semiannual regulatory agenda.

SUMMARY: The Board is issuing this agenda under the Regulatory Flexibility Act and the Board’s Statement of Policy Regarding Expanded Rulemaking Procedures. The Board anticipates having under consideration regulatory matters as indicated below during the period May 1, 2013 through October 31, 2013. The next agenda will be published in fall 2013.

DATES: Comments about the form or content of the agenda may be submitted any time during the next 6 months.

ADDRESSES: Comments should be addressed to Robert deV. Frierson, Secretary of the Board, Board of Governors of the Federal Reserve System, Washington, DC 20551.

FOR FURTHER INFORMATION CONTACT: A staff contact for each item is indicated with the regulatory description below.

SUPPLEMENTARY INFORMATION: The Board is publishing its spring 2013 agenda as part of the Spring 2013 Unified Agenda of Federal Regulatory and Deregulatory Actions, which is coordinated by the Office of Management and Budget under Executive Order 12866. The agenda also identifies rules the Board has selected for review under section 610(c) of the Regulatory Flexibility Act, and public comment is invited on those entries. The complete Unified Agenda will be available to the public at the following Web site: www.reginfo.gov. Participation by the Board in the Unified Agenda is on a voluntary basis.

The Board’s agenda is divided into four sections. The first, Proposed Rule Stage, reports on matters the Board may consider for public comment during the next 6 months. The second section, Final Rule Stage, reports on matters that have been proposed and are under Board consideration. A third section, Long-Term Actions, reports on matters that have been proposed and are under Board consideration, but a completion date has not been determined. And a fourth section, Completed Actions, reports on regulatory matters the Board has completed or is not expected to consider further.

A dot (•) preceding an entry indicates a new matter that was not a part of the Board’s previous agenda and which the Board has not completed.

Margaret McCloskey Shanks,
Deputy Secretary of the Board.

FEDERAL RESERVE SYSTEM—PROPOSED RULE STAGE

Sequence No.	Title	Regulation Identifier No.
403	Regulation CC—Availability of Funds and Collection of Checks (Docket No. R-1408)	7100-AD68
404	Regulations H and Y—Regulatory Capital Rules: Regulatory Capital, Implementation of Basel III, Minimum Regulatory Capital Ratios, Capital Adequacy, and Transition Provisions. (Docket No. R-1442).	7100-AD87

FEDERAL RESERVE SYSTEM—FINAL RULE STAGE

Sequence No.	Title	Regulation Identifier No.
405	Regulation LL—Savings and Loan Holding Companies and Regulation MM—Mutual Holding Companies (Docket No. R-1429).	7100-AD80

FEDERAL RESERVE SYSTEM—LONG-TERM ACTIONS

Sequence No.	Title	Regulation Identifier No.
406	Regulation KK—Margin and Capital Requirements for Covered Swap Entities (Docket No: R-1415)	7100-AD74

FEDERAL RESERVE SYSTEM—COMPLETED ACTIONS

Sequence No.	Title	Regulation Identifier No.
407	Regulation NN—Retail Foreign Exchange Transactions (Docket No. R-1428)	7100-AD79

FEDERAL RESERVE SYSTEM (FRS)

Proposed Rule Stage

403. Regulation CC—Availability of Funds and Collection of Checks (Docket No. R-1408)

Legal Authority: 12 U.S.C. 4001 to 4010; 12 U.S.C. 5001 to 5018

Abstract: The Federal Reserve Board (the Board) proposed amendments to Regulation CC to facilitate the banking

industry’s ongoing transition to fully electronic interbank check collection and return, including proposed amendments to condition a depository bank’s right of expeditious return on the depository bank agreeing to accept returned checks electronically either directly or indirectly from the paying bank. The Board also proposed amendments to the funds availability schedule provisions to reflect the fact

that there are no longer any nonlocal checks. The Board proposed to revise the model forms in appendix C that banks may use in disclosing their funds availability policies to their customers and to update the preemption determinations in appendix F. Finally, the Board requested comment on whether it should consider future changes to the regulation to improve the check collection system, such as

decreasing the time afforded to a paying bank to decide whether to pay a check in order to reduce the risk to a depository bank of needing to make funds available for withdrawal before learning whether a deposited check has been returned unpaid.

Timetable:

Action	Date	FR Cite
Board Requested Comment.	03/25/11	76 FR 16862
Board Expects Further Action.	12/00/13	

Regulatory Flexibility Analysis Required: Yes.

Agency Contact: Dena Milligan, Senior Attorney, Federal Reserve System, Legal Division, *Phone:* 202 452-3900.

RIN: 7100-AD68

404. Regulations H and Y—Regulatory Capital Rules: Regulatory Capital, Implementation of Basel III, Minimum Regulatory Capital Ratios, Capital Adequacy, and Transition Provisions. (Docket No. R-1442)

Legal Authority: 12 U.S.C. 24; 12 U.S.C. 36; 12 U.S.C. 92a; 12 U.S.C. 93a; * * *

Abstract: In this Notice of Proposed Rulemaking (NPRM), the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation, (the Agencies) are proposing to revise their risk-based and leverage capital requirements consistent with agreements reached by the Basel Committee on Banking Supervision (BCBS) in “Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems” (Basel III). The proposed revisions would include implementation of a new common equity tier I minimum capital requirement, a higher minimum tier I capital requirement, and, for banking organizations subject to the advanced approaches capital rules, a supplementary leverage ratio that incorporates a broader set of exposures in the denominator measure. Additionally, consistent with Basel III, the Agencies are proposing to apply limits on a banking organization’s capital distributions and certain discretionary bonus payments if the banking organization does not hold a specified amount of common equity tier I capital above the amount necessary to meet its minimum risk-based capital requirements. This NPRM also would establish more conservative standards for including an instrument in the

proposal, the revisions set forth in this NPRM are consistent with section 171 of the Dodd-Frank Act, which requires the Agencies to establish minimum risk-based and leverage capital requirements.

Timetable:

Action	Date	FR Cite
Board Requested Comment.	08/30/12	77 FR 53059
Board Expects Further Action.	09/00/13	

Regulatory Flexibility Analysis Required: Yes.

Agency Contact: Anna Lee Hewko, Deputy Associate Director, Federal Reserve System, Division of Banking Supervision and Regulation, *Phone:* 202 530-6260.

RIN: 7100-AD87

FEDERAL RESERVE SYSTEM (FRS)

Final Rule Stage

405. Regulation LL—Savings and Loan Holding Companies and Regulation MM—Mutual Holding Companies (Docket No. R-1429)

Legal Authority: 5 U.S.C. 552; 5 U.S.C. 559; 5 U.S.C. 1813; 5 U.S.C. 1817; 5 U.S.C. 1828; * * *

Abstract: The Dodd-Frank Act Wall Street Reform and Consumer Protection Act (the Act) transferred responsibility for supervision of Savings and Loan Holding Companies (SLHCs) and their non-depository subsidiaries from the Office of Thrift Supervision (OTS) to the Board of Governors of the Federal Reserve System (Board), on July 21, 2011. The Act also transferred supervisory functions related to Federal savings associations and State savings associations to the Office of the Comptroller of the Currency (OCC) and the Federal Deposit Insurance Corporation (FDIC), respectively.

The Board on August 12, 2011, approved an interim final rule for SLHCs, including a request for public comment. The interim final rule transferred from the OTS to the Board the regulations necessary for the Board to supervise SLHCs, with certain technical and substantive modifications. The interim final rule has three components: (1) New Regulation LL (part 238), which sets forth regulations generally governing SLHCs; (2) new Regulation MM (part 239), which sets forth regulations governing SLHCs in mutual form; and (3) technical amendments to existing Board regulations necessary to accommodate the transfer of supervisory authority for SLHCs from the OTS to the Board.

The structure of interim final Regulation LL closely follows that of the Board’s Regulation Y, which governs bank holding companies, in order to provide an overall structure to rules that were previously found in disparate locations. In many instances interim final Regulation LL incorporated OTS regulations with only technical modifications to account for the shift in supervisory responsibility from the OTS to the Board. Interim final Regulation LL also reflects statutory changes made by the Dodd-Frank Act with respect to SLHCs, and incorporates Board precedent and practices with respect to applications processing procedures and control issues, among other matters.

Interim final Regulation MM organized existing OTS regulations governing SLHCs in mutual form (MHCs) and their subsidiary holding companies into a single part of the Board’s regulations. In many instances interim final Regulation MM incorporated OTS regulations with only technical modifications to account for the shift in supervisory responsibility from the OTS to the Board. Interim final Regulation MM also reflects statutory changes made by the Dodd-Frank Act with respect to MHCs.

The interim final rule also made technical amendments to Board rules to facilitate supervision of SLHCs, including to rules implementing Community Reinvestment Act requirements and to Board procedural and administrative rules. In addition, the Board made technical amendments to implement section 312(b)(2)(A) of the Act, which transfers to the Board all rulemaking authority under section 11 of the Home Owner’s Loan Act relating to transactions with affiliates and extensions of credit to executive officers, directors, and principal shareholders. These amendments include revisions to parts 215 (Insider Transactions) and part 223 (Transactions with Affiliates) of Board regulations.

The comment period with respect to the interim final rule closed on November 1, 2011, and the Board intends in the future to issue a finalized rule.

Timetable:

Action	Date	FR Cite
Board Requested Comment.	09/13/11	76 FR 56508
Board Expect Further Action.	07/00/13	

Regulatory Flexibility Analysis Required: Yes.

Agency Contact: Paul Hannah, Counsel, Federal Reserve System, Legal Division, *Phone:* 202 452-2810.
RIN: 7100-AD80

FEDERAL RESERVE SYSTEM (FRS)

Long-Term Actions

406. Regulation KK—Margin and Capital Requirements for Covered Swap Entities (Docket No: R-1415)

Legal Authority: 7 U.S.C. 6s; 15 U.S.C. 780-10

Abstract: The Office of the Comptroller of the Currency, the Federal Reserve Board, the Federal Deposit Insurance Corporation, the Farm Credit Administration, and the Federal Housing Finance Agency (the Agencies) are requesting comment on a proposal to establish minimum margin and capital requirements for registered swap dealers, major swap participants, security-based swap dealers, and major security-based swap participants for which one of the Agencies is the prudential regulator. This proposed rule implements sections 731 and 764 of the Dodd-Frank Wall Street Reform and Consumer Protection Act, which require the Agencies to adopt rules jointly to establish capital requirements and initial and variation margin requirements for such entities on all non-cleared swaps and non-cleared

security-based swaps in order to offset the greater risk to such entities and the financial system arising from the use of swaps and security-based swaps that are not cleared.

Timetable:

Action	Date	FR Cite
Board Requested Comment.	04/12/11	76 FR 27564
Comment Period End.	07/11/11	76 FR 37029
Board Reopened Comment Period.	10/02/12	77 FR 60057
Next Action Undetermined.		

Regulatory Flexibility Analysis Required: Yes.

Agency Contact: Stephanie Martin, Associate General Counsel, Federal Reserve System, Legal Division, *Phone:* 202 452-3198.

Dena Milligan, Senior Attorney, Federal Reserve System, Legal Division, *Phone:* 202 452-3900.

RIN: 7100-AD74

FEDERAL RESERVE SYSTEM (FRS)

Completed Actions

407. Regulation NN—Retail Foreign Exchange Transactions (Docket No. R-1428)

Legal Authority: 7 U.S.C. 2(i)(2)(E); 12 U.S.C. 248; 12 U.S.C. 321 to 338; 12 U.S.C. 1818; 12 U.S.C. 3108; * * *

Abstract: The Federal Reserve Board adopted on April 9, 2013, (78 FR 21019) a regulation to permit banking organizations under its supervision to engage in off-exchange transactions in foreign currency with retail customers. Section 2(c)(Z)(E) of the Commodity Exchange Act, as amended by the Dodd-Frank Act, requires U.S. financial institutions to effect these transactions only pursuant to rules adopted by their Federal regulatory authority. The final rule also describes various requirements with which banking organizations must comply to conduct such transactions.

Timetable:

Action	Date	FR Cite
Board Requested Comment.	08/03/11	76 FR 46652
Board Issued Final Rule.	04/09/13	78 FR 21019

Regulatory Flexibility Analysis Required: Yes.

Agency Contact: Scott J. Holz, Senior Counsel, Federal Reserve System, Legal Division, *Phone:* 202 452-2966.

RIN: 7100-AD79

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