

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 November 1, 2012 through April 30, 2013. The next agenda will be published in spring 2013.

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

ADDRESSES: Comments should be addressed to Robert de V. 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 fall 2012 agenda as part of the Fall 2012 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 six 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.

Margaret McCloskey Shanks,
Associate Secretary of the Board.

FEDERAL RESERVE SYSTEM—PROPOSED RULE STAGE

| Sequence No. | Title | Regulation Identifier No. |
|--------------|--|---------------------------|
| 521 | Regulation CC—Availability of Funds and Collection of Checks (Docket No. R–1408) | 7100–AD68 |
| 522 | Regulation NN—Retail Foreign Exchange Transactions (Docket No. R–1428) | 7100–AD79 |

FEDERAL RESERVE SYSTEM—FINAL RULE STAGE

| Sequence No. | Title | Regulation Identifier No. |
|--------------|---|---------------------------|
| 523 | 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 |
| 524 | 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. |
|--------------|---|---------------------------|
| 525 | 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. |
|--------------|--|---------------------------|
| 526 | Regulations H and Y—Regulatory Capital Rules: Standardized Approach for Risk-weighted Assets; Market Discipline and Disclosure Requirements (Docket No. R–1443). | 7100–AD88 |
| 527 | Regulations H and Y—Regulatory Capital Rules: Advanced Approaches Risk-based Capital Rule; Market Risk Capital Rule (Docket No. R–1444). | 7100–AD89 |
| 528 | Regulation OO—Securities Holding Companies (Docket No. R–1430) | 7100–AD81 |

FEDERAL RESERVE SYSTEM (FRS)

Proposed Rule Stage

521. 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. | 12/00/12 | |

Regulatory Flexibility Analysis Required: Yes.

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

RIN: 7100-AD68

522. 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 is publishing for comment 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.

Timetable:

| Action | Date | FR Cite |
|-------------------------------|----------|-------------|
| Board Requested Comment. | 08/03/11 | 76 FR 46652 |
| Board Expects Further Action. | 12/00/12 | |

Regulatory Flexibility Analysis

Required: Yes.

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

RIN: 7100-AD79

FEDERAL RESERVE SYSTEM (FRS)

Final Rule Stage

523. • 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 regulatory capital. As discussed 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. | 03/00/13 | |

Regulatory Flexibility Analysis

Required: Yes.

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

RIN: 7100-AD87

524. 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. | 06/00/13 | |

Regulatory Flexibility Analysis Required: Yes.

Agency Contact: Amanda K. Allexon, Senior Counsel, Federal Reserve

System, Legal Division, *Phone:* 202 452-3818.

RIN: 7100-AD80

FEDERAL RESERVE SYSTEM (FRS)

Long-Term Actions

525. 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. 78 o-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.

RIN: 7100-AD74

FEDERAL RESERVE SYSTEM (FRS)

Completed Actions

526. • Regulations H and Y—Regulatory Capital Rules: Standardized Approach for Risk-Weighted Assets; Market Discipline and Disclosure Requirements (Docket R-1443)

Legal Authority: 12 U.S.C. 248(a); 12 U.S.C. 321; 12 U.S.C. 322; 12 U.S.C. 323; 12 U.S.C. 324; * * *

Abstract: This Notice of Proposed Rulemaking (NPRM) includes proposed changes to the U.S. banking agencies' (the Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation) general risk-based capital requirements for determining risk-weighted assets (that is, the calculation of the denominator of a banking organization's risk-based capital ratios). The proposed changes would revise and harmonize the agencies' rules for calculating risk-weighted assets to enhance risk sensitivity and address weaknesses identified over recent years, including by incorporating certain international capital standards as set forth by the Basel Committee on Banking Supervision. The Agencies also propose alternatives to credit ratings for calculating risk-weighted assets for certain assets, consistent with section 939A of the Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010. The revisions include methodologies for determining risk-weighted assets for residential mortgages, securitization exposures, and counterparty credit risk. The NPRM also would introduce disclosure requirements that would apply to top-tier banking organizations domiciled in the United States with \$50 billion or more in total assets, including disclosures related to regulatory capital instruments.

Timetable:

| Action | Date | FR Cite |
|------------------------|----------|-------------|
| Merged With 7100 AD87. | 08/30/12 | 77 FR 53059 |

Regulatory Flexibility Analysis Required: Yes.

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

RIN: 7100-AD88

**527. • Regulations H and Y—
Regulatory Capital Rules: Advanced
Approaches Risk-Based Capital Rule;
Market Risk Capital Rule (Docket No.
R-1444)**

Legal Authority: 12 U.S.C. 248(a); 12 U.S.C. 321; 12 U.S.C. 322; 12 U.S.C. 323

Abstract: In this Notice of Proposed Rule-making (NPRM), the U.S. banking agencies are proposing to revise the advanced approaches risk-based capital rule to incorporate certain aspects of “Basel III: A Global Regulatory Framework for More Resilient Banks and Banking Systems” (Basel III) that the agencies would apply only to advanced approach banking organizations. This NPR also proposes other changes to the advanced approaches rule that the agencies believe are consistent with changes made by the Basel Committee on Banking Supervision (BCBS) to its “International Convergence of Capital Measurement and Capital Standards” A Revised Framework” (Basel II), as revised by the BCBS between 2006 and 2009, and with recent consultative papers published by the BCBS. The Agencies also propose to revise the advanced approaches risk-based capital rule to be consistent with Dodd-Frank Wall Street Reform and Consumer Protection Act of 2010 (Dodd-Frank Act). These revisions include replacing references to credit ratings with

alternative standards of creditworthiness consistent with section 939A of the Dodd-Frank Act. Also, the Board is proposing that the advanced approaches and market risk capital rules apply to top-tier savings and loan holding companies domiciled in the United States that meet the applicable thresholds. In addition, this NPRM would codify the market risk rule consistent with the proposed codification of the other regulatory capital rules across the three proposals.

Timetable:

| Action | Date | FR Cite |
|------------------------|----------|-------------|
| Merged With 7100 AD87. | 08/30/12 | 77 FR 53059 |

Regulatory Flexibility Analysis

Required: Yes.

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

RIN: 7100-AD89

**528. Regulation OO—Securities
Holding Companies (Docket No. R-
1430)**

Legal Authority: 12 U.S.C. 1850a

Abstract: The Federal Reserve Board (the Board) issued a final rule to implement section 618 of the Dodd-Frank Wall Street Reform and Consumer Protection Act which permits nonbank

companies that own at least one registered securities broker or dealer, and that are required by a foreign regulator or provision of foreign law to be subject to comprehensive consolidated supervision, to register with the Board and subject themselves to supervision by the Board. The final rule is substantially the same as the proposed rule. The final rule outlines the requirements that a securities holding company must satisfy to make an effective election, including filing the appropriate form with the responsible Reserve Bank, providing all additional required information and satisfying the statutory waiting period of 45 days or such shorter period as the Board determines appropriate.

Timetable:

| Action | Date | FR Cite |
|--------------------------|----------|-------------|
| Board Requested Comment. | 08/31/11 | 76 FR 54717 |
| Board Issued Final Rule. | 06/04/12 | 77 FR 32881 |

Regulatory Flexibility Analysis

Required: Yes.

Agency Contact: Amanda K. Allexon, Senior Counsel, Federal Reserve System, Legal Division, *Phone:* 202 452-3818

RIN: 7100-AD81

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