TO: U.S. Branches and Agencies of Foreign Banks

SUBJECT: Proposed Revisions to the FFIEC 002, Report of Assets and Liabilities of U.S. Branches and Agencies of Foreign Banks, and FFIEC 002S, Report of Assets and Liabilities of a Non-U.S. Branch that is Managed or Controlled by a U.S. Branch or Agency of a Foreign (Non-U.S.) Bank

On September 28, 2018, the Federal Deposit Insurance Corporation, the Federal Reserve Board, and the Office of the Comptroller of the Currency (collectively, the agencies), under the auspices of the Federal Financial Institutions Examination Council (FFIEC), published in the Federal Register for public comment proposed changes to several FFIEC reports, including the FFIEC 002 and FFIEC 002S reports.

As described more fully in the attached Federal Register notice, the proposed changes to the FFIEC 002 and FFIEC 002S reports result from the revised accounting for credit losses under the Financial Accounting Standards Board’s Accounting Standards Update No. 2016-13, “Financial Instruments – Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments” (ASU 2016-13). Where applicable, an institution must apply ASU 2016-13 in its FFIEC 002 and FFIEC 002S submissions in accordance with the applicable effective date of the accounting standard. Because ASU 2016-13 sets three different effective dates and includes an option for early adoption, the proposed revisions to the FFIEC 002 and FFIEC 002S reports arising from the changes in credit loss accounting would begin to take effect March 31, 2019, but would not be fully phased in until 2022.

The agencies encourage you to review the proposal, which has been approved by the FFIEC, and comment on those aspects of interest to you. You may send comments to any or all of the agencies by the methods described in the attached Federal Register notice. Comments must be submitted by November 27, 2018. The FFIEC and the agencies will review and consider the comments as they finalize the revisions to the FFIEC 002 and FFIEC 002S reports.

To help you understand how the revisions included in the current proposal would affect the FFIEC 002 and FFIEC 002S, redlined copies of the forms and instructions showing the changes resulting from this proposal are available on the FFIEC’s website (https://www.ffiec.gov/ffiec_report_forms.htm) on the webpage for each report form.
Please share this letter with the individuals responsible for preparing the FFIEC 002 and FFIEC 002S reports at your institution. For questions about the proposed revisions, reporting institutions should contact their Reporting Central District Contact at https://www.frbservices.org/contacts/index.jsp.

signed by

Judith E. Dupre
Executive Secretary

Attachment: Federal Register Notice

Distribution: U.S. Branches and Agencies of Foreign Banks