



INSTITUTE OF INTERNATIONAL BANKERS

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March 30, 2015

Christopher Stein
Chief, Services Surveys Branch (BE-50)
Balance of Payments Division
Bureau of Economic Analysis
U.S. Department of Commerce
Washington, DC 20230

Re: International Services Surveys: BE-180, Benchmark Survey of Financial Services Transactions Between U.S. Financial Services Providers and Foreign Persons, RIN 0691-AA84, 80 Federal Register 4228 (January 27, 2015)

Dear Mr. Stein:

The Institute of International Bankers (IIB) appreciates the opportunity to offer its comments on the Bureau of Economic Analysis' (BEA) proposal to require all U.S. financial services providers with financial transactions totaling \$3 million or more on a consolidated basis with non-U.S. persons to report such transactions on Form BE-180, Benchmark Survey of Financial Services Transactions Between U.S. Financial Services Providers and Foreign Persons, regardless of whether they have been contacted by the BEA. Failure to file can result in civil and criminal penalties, including imprisonment. By virtue of the lower dollar threshold for mandatory reporting and the requirement that covered U.S. persons submit the required information regardless of whether they are contacted by BEA, the BEA's proposal expands not only the number of institutions subject to the requirement, but also the granularity of the information required to be reported as compared to the BE-185 quarterly reporting regime.

The IIB is the only national association devoted exclusively to representing and advancing the interests of the international banking community in the United States. Our membership is comprised of internationally-headquartered banking and financial institutions from over 35 countries around the world doing business in the United States. IIB members operate in the United States through a multitude of "financial services providers" (as defined in proposed rule 801.9(c)), including branches of the parent bank, wholly-owned insured depository institutions, commercial finance companies, registered broker-dealers and other financial services companies. By the very nature of their foreign ownership, the U.S. operations of IIB member institutions are more likely to enter into reportable transactions than their U.S.-headquartered counterparts, and in particular there is a greater likelihood that they will have a considerably greater number of transactions with affiliated persons to report. As such, our members would be strongly impacted by the proposal.

The Institute's mission is to help resolve the many special legislative, regulatory and tax issues confronting **internationally headquartered** financial institutions that engage in banking, securities and/or insurance activities in the United States.



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For those institutions that currently are not required to submit quarterly BE-185 reports, the proposal will present considerable challenges to gathering and reporting the information required by BE-180 on a timely basis. The challenges are likewise significant for those currently reporting quarterly on BE-185 inasmuch as BE-180 requires reporting (i) on a different threshold and (ii) for the entire fiscal year. In both cases, these considerations are magnified for those institutions with complex U.S. operations. We respectfully request that BEA adopt an accommodating approach toward providing our member institutions extensions of time to submit their reports. We believe this approach is especially appropriate at a time when the U.S. operations of many of our members are subject to other extensive, new reporting requirements with respect to, for example, metrics reporting under the Volcker Rule,¹ the liquidity monitoring reporting requirements proposed by the Federal Reserve,² Dodd-Frank Act stress testing (DFAST) and the Federal Reserve's Comprehensive Capital Analysis and Review (CCAR) program.

Please do not hesitate to contact the undersigned, should you wish to discuss this matter further.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Richard W. Coffman', written in a cursive style.

Richard W. Coffman
General Counsel

¹ The final regulations implementing the Volcker Rule require certain large foreign and domestic banks and their affiliates to provide quantitative measurements regarding financial instruments traded by the firm. These measurements, to be reported on a per desk basis regardless of where the desk is located, include: risk and position limits and usage; risk factor sensitivities; value at risk and stress VaR; comprehensive profit and loss attribution; inventory turnover, inventory aging and customer facing ratio. While the largest firms are already providing this information on a quarterly basis within 30 days of the close of the quarter (T+30), they will, in the near future, be required to provide this information on a T+10 basis. Other firms are being phased into the reporting regime during the spring and fall of 2016.

² The Federal Reserve has proposed to require foreign banks with greater than \$50 billion in U.S. assets to report on Form 2052a on a monthly (and, for some banks, daily) basis extensive information regarding the liquidity of their U.S. operations. These reports would be required to be filed on a two business day (T+2) basis and, as currently, proposed would commence in July 2016. Some financial firms have estimated that proposed Form FR 2052a will require reporting on 66,000 data elements.