

The Bank Holding Company Report of Insured Depository Institutions’ Section 23A Transactions with Affiliates – FR Y-8 “Reporting Tips”

Below are some useful tips and definitions that may help in the reporting of the FR Y-8. Please note, this information is not meant to be a replacement for the instructions. For additional information on each of these items, please refer to the instructions.

- The FR Y-8 is filed by **ALL** Bank Holding Companies for **EACH** of their Insured Depository Institutions (DI’s).
- BHC’s that meet the criteria listed in Part A and B of the Declaration section **MUST** check the box and not complete the rest of the report.
- Bank Holding Companies must maintain in their files a manually signed and attested printout of the data submitted. This includes a signed declaration page for those entities with no transactions to report. The cover page of the report must be used to fulfill these requirements.
- The FR-Y8 due date to the Federal Reserve Bank is **30** calendar days after the as of date. Please note that for months which have 31 calendar days, the report is due on the 30th, not the 31st. If this date falls on a weekend or holiday, it is due the following business day.
- The report is due by the end of the reporting day on the submission date (**5:00 p.m.** at each district reserve bank).

Insured Depository Institution – any state bank, national bank, trust company, banking association or any institution the deposits of which are insured by the FDIC (including a savings association) excluding branches of a foreign bank

Affiliate of an Insured Depository Institution - a company that controls the insured depository institution, a company under common control with the insured DI, a financial subsidiary of the insured DI, and certain other companies.

An affiliate is **NOT**:

- Any company (other than a bank or financial subsidiary) that is a subsidiary of the insured DI
- A company engaged solely in:
 - Holding the premises of the insured DI
 - Conducting a safe deposit business
 - Holding obligations of the US or its agencies or obligations
- Any company where control results from the exercise of rights arising from debts previously contracted

Financial Subsidiary -- A financial subsidiary is a subsidiary of an insured depository institution that engages in activities that national banks are not permitted to engage in directly or that are conducted under terms and conditions that differ from those that govern the conduct of such activities of national banks.

A financial subsidiary does not include:

- A subsidiary of a bank engaged solely in the sale of insurance as an agent or a broker.
- A subsidiary of a state bank that is considered a financial subsidiary solely because the subsidiary engages in one or more of the following:
 - o An activity that the state bank may engage in directly under applicable federal and state laws.
 - o An activity that the subsidiary was authorized by applicable federal and state law to engage in prior to December 12, 2002.

Subsidiary of an Insured Depository Institution – for purposes of this report, a subsidiary of an insured DI (other than a financial subsidiary) **IS NOT** considered an affiliate of the insured DI.

A financial subsidiary is an affiliate of an insured DI; however, a subsidiary of an insured DI is not an affiliate.

Covered Transactions –

- A loan or extension of credit to an affiliate
- Purchase of or investment in securities issued by an affiliate
- Purchase of assets, including assets subject to an agreement to repurchase, from the affiliate
- Acceptance of securities issued by the affiliate as collateral security for a loan or extension of credit to any person or company
- The issuance of a guarantee, acceptance, or letter of credit on behalf of the affiliate
- the purchase of, or investment in, securities issued by a financial subsidiary of the insured depository institution by an affiliate of the insured depository institution
- Covered transactions with a third party if the proceeds are for the benefit of, or transferred to, an affiliate
- any loan or extension of credit to a financial subsidiary of the insured depository institution by an affiliate of the insured depository institution that the Board determines to be a covered transaction for purposes of section 23A
- Purchase of, or investment in, securities issued by a financial subsidiary of the insured DI by an affiliate of the insured DI

A transaction between a subsidiary of an insured DI and an affiliate of the insured DI are deemed to have been conducted by the insured DI itself and should be included in the FR-Y8.

Frequently Asked Questions

1. “I stayed until 6:30 p.m. on the due date to make sure the report was submitted on time. Why have I been contacted concerning the timeliness of this report?”
The report is considered on time if received by 5:00 p.m. on the due date.
2. The report is due on the last day of the month following the date of the report, right? **No, the report is due 30 calendar days after the report date, not the end of the month.**
3. We have no transactions to report for the quarter, so should I just list zero’s for all of the items? **No, if you have no transactions to report please check the declaration box after ensuring you have met the criteria listed for parts A and B.**
4. We have no transactions to report for the quarter. Do we have to file the report? **Yes, if you have no transactions to report please check the declaration box after ensuring you have met the criteria listed for parts A and B.**
5. Can Part I, Memo. Item 1 equal what is reported in 1-4, col. B? **Yes, if balances did not change throughout the quarter. You may be asked to verify the reason these items are equal.**
6. What are some common covered transactions?
 - a. **A loan by the bank to its parent holding company (or other affiliate)**
 - b. **The banks acceptance of the parent’s securities (or other affiliate) as collateral for a loan made to a third party**
 - c. **The banks’ purchase of securities issued by an affiliate**
 - d. **The banks’ purchase of a loan from an affiliate**

