

Via Electronic Mail

October 08, 2021

Ann E. Misback, Secretary  
Board of Governors of the Federal Reserve System  
20th Street and Constitution Avenue, NW  
Washington, D.C. 20551

**RE: Proposal to Extend for Three Years, Without Revision, the Foreign Branch Report of Condition (FFIEC 030) and the Abbreviated Foreign Branch Report of Condition (FFIEC 030S)**

Ladies and Gentlemen:

JPMorgan Chase & Co. (JPMC or the Firm) appreciates the opportunity to comment on the proposal by the Board of Governors of the Federal Reserve Board System, the Federal Deposit Insurance Corporation, and the Office of the Comptroller of the Currency (the Agencies) that would extend for three years, without revision, the Foreign Branch Report of Condition (FFIEC 030) and the Abbreviated Foreign Branch Report of Condition (FFIEC 030S)<sup>1</sup>. We provide a recommendation below regarding consistency between reports and where additional guidance is needed in support of the Agencies' ongoing efforts to enhance the quality, utility and clarity of the information to be collected.

The implementation of ASU 2016-01 has resulted in an inconsistency between the FFIEC 030 and FFIEC 031 ("Call Report") instructions. ASU 2016-01 eliminates the classification of equity securities with readily determinable fair values not held for trading as available-for-sale equity securities, which were measured at fair value with changes in fair value generally recognized in other comprehensive income. As a result, all institutions must measure investments in equity securities, except those accounted for under the equity method and those that result in consolidation, at fair value with changes in fair value recognized in net income.

The instructions for FFIEC 030, Line 4(b), *Other securities (debt and equity)*, currently require the inclusion of items reported in the Call Report, Schedule RC-B, Lines 4, 5, 6, and 7 only. These Call Report lines include debt securities (held-to-maturity and available-for-sale items) only. Instructions for FFIEC 030, Line 4(b) do not reference the new Call Report, Line 2.c., *Securities: Equity securities with readily determinable fair values not held for trading*.

We recommend the Agencies confirm whether equity securities with readily determinable fair values not held for trading should, or should not, be reported in FFIEC 030, Line 4(b). If equity securities are to be included in Line 4(b), we propose an update to the FFIEC 030, Line 4(b) instructions to reflect the inclusion of equity securities reported on the Call Report, Schedule RC, Line 2.c. This would align the FFIEC 030 with the Call Report's classification of these equity securities as *Securities* on the report form. If equity securities are not to be included in Line 4(b), we propose FFIEC 030, Line 4(b) is re-worded from "*Other securities (debt and equity)*" to "*Other securities (debt)*" and the instructions for *Line 10, Other assets*, be revised to reflect inclusion of the Call Report, Schedule RC, Line 2.c.

JPMC appreciates the opportunity to provide these comments. We would be pleased to provide any further information or respond to any questions.

Respectfully submitted,



Carl McKay  
Managing Director

<sup>1</sup> 86 Fed. Reg. 44768 (August 3, 2021)