



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

WASHINGTON, D.C. 20551

DIVISION OF SUPERVISION
AND REGULATION

SR 20-30 (revised)

December 18, 2020

Revised March 31, 2021

On March 31, 2021, SR Letter 20-30 was revised to include criteria to determine which foreign banking organizations will be subject to the Large Institution Supervision Coordinating Committee (LISCC) supervisory program.

**TO THE OFFICER IN CHARGE OF SUPERVISION
AT EACH FEDERAL RESERVE BANK**

SUBJECT: Financial Institutions Subject to the LISCC Supervisory Program

Applicability: This guidance is relevant for bank holding companies, savings and loan holding companies, nonbank financial companies, and foreign banking organizations subject to the Large Institution Supervision Coordinating Committee (LISCC) supervisory program.

The Federal Reserve established LISCC¹ in 2010 to coordinate the Federal Reserve's supervision of (i) domestic bank holding companies and foreign banking organizations that pose elevated risks to U.S. financial stability and (ii) any nonbank financial institution that the Financial Stability Oversight Council (FSOC) has determined should be supervised by the Board.

The Federal Reserve has periodically reassessed which financial institutions should be in the LISCC supervisory program, taking into account a number of factors such as the size of the institutions, their interconnectedness, lack of readily available substitutes for the services they provide, their complexity, and their cross-jurisdictional activities.²

¹ <https://www.federalreserve.gov/supervisionreg/large-institution-supervision.htm>

² On November 6, 2020, the Board announced that it was accepting input on its plan to update the list of firms supervised by the LISCC supervisory program, and on the appropriate criteria for including foreign banking organizations in the LISCC supervisory program in the future should the risk of their U.S. operations increase. The Federal Reserve received several responsive comments, all of which broadly supported the alignment of the LISCC

In an effort to increase transparency and align the Federal Reserve’s supervisory program with the current risk-based categories in its regulatory framework,³ this SR letter defines the financial institutions subject to LISCC supervisory program as: (i) a U.S. banking organization subject to Category I standards under the Board's tailoring framework, (ii) any non-commercial, non-insurance savings and loan holding company that would be identified for Category I standards if it were a bank holding company,⁴ (iii) any foreign banking organization whose combined U.S. operations⁵ would be identified for Category I standards if it were a bank holding company,⁶ and (iv) any nonbank financial institution designated as systemically important by the FSOC.

Reserve Banks are asked to distribute this letter to the supervised institutions in their districts and to appropriate supervisory staff.

In addition, institutions may send questions via the Board’s public website.⁷

Michael S. Gibson
Director

Supersedes:

- SR letter 15-7, “Governance Structure of the Large Institution Supervision Coordinating Committee (LISCC) Supervisory Program”

supervisory program with the tailoring rules. <https://www.federalreserve.gov/foia/files/liscc-public-comments-20201218.pdf>

³ <https://www.federalreserve.gov/newsevents/pressreleases/bcreg20191010a.htm>

⁴ See 12 CFR 252.5(b); see also 12 CFR 217.402. The method 1 score of any non-commercial, non-insurance savings and loan holding company would be determined based on the information submitted by the company on the FR Y-15 reporting form.

⁵ Combined U.S. operations means (1) the U.S. branches and agencies of the foreign banking organization and (2) the U.S. subsidiaries of the foreign banking organization (excluding any section 2(h)(2) company, if applicable) and subsidiaries of such U.S. subsidiaries.

⁶ That is, the combined U.S. operations would have a method 1 score of 130 or more, calculated pursuant to 12 CFR 217.402. The method 1 score of the combined U.S. operations would be determined based on the information submitted by the foreign banking organization on the FR Y-15 reporting form with respect to its combined U.S. operations.

⁷ See <http://www.federalreserve.gov/apps/contactus/feedback.aspx>