

November 16, 2022

# Federal Reserve Reopens Master Account Access Guidelines

---

## Federal Reserve Proposes to Publish Quarterly List of Institutions with Access to Federal Reserve Bank Accounts and Services

---

On November 4, 2022, the Board of Governors of the Federal Reserve System (the “Federal Reserve”) released a notice requesting comments on proposed amendments (the “Proposal”) to the Guidelines for Evaluating Account and Services Requests (the “Account Access Guidelines”) that it approved in August 2022.<sup>1</sup> The Proposal would require the Federal Reserve Banks to publish on a quarterly basis a consolidated list of depository institutions with access to Reserve Bank master accounts and/or financial services.

The Proposal follows the Federal Reserve’s recent adoption of the final Account Access Guidelines. Those Guidelines established a risk-based set of factors for Reserve Banks to analyze access requests, and a three-tiered review framework under which institutions would face progressively greater due diligence and scrutiny in the Reserve Bank’s account access review process depending on the regulatory framework to which they are already subject.<sup>2</sup> For more information on the Account Access Guidelines, please refer to our memorandum to clients from August 19, 2022.<sup>3</sup>

Under the Proposal, the Reserve Banks would be required to produce a consolidated, Federal Reserve System-wide quarterly report containing two lists: (1) a list of federally-insured depository institutions with access to accounts and services, and (2) a list of non-federally-insured depository institutions with access to accounts and services. The lists would include all institutions that access Reserve Bank-priced financial services directly via a master account and those that access services indirectly via the master accounts of their correspondent banks. The report would be posted to a Federal Reserve System public website shortly after the end of the quarter. The report would include two data elements for each institution with access to

## SULLIVAN & CROMWELL LLP

accounts and services: (1) the institution name, and (2) the Reserve Bank district in which the institution is located. In a separate section, the report also would identify (1) the institutions that have received access to accounts and services since the publication of the previous report, and (2) the institutions that no longer have access to accounts and services since the publication of the previous report, both those that lost access and those that gave up their access voluntarily.

According to the Proposal, the Federal Reserve and Reserve Banks traditionally have not disclosed account-related information to the general public on the basis that such information is confidential business information. However, the Proposal notes that some institutions do not consider the fact that they have access as confidential information and indeed choose to voluntarily disclose their access to Federal Reserve accounts and services. The Proposal also notes that Reserve Banks already provide disclosure, through a publicly searchable directory, of the identities of institutions that use Fedwire Funds Service (which requires a master account) and other services. Although the Federal Reserve acknowledges the importance of protecting the confidential information of access requestors and the risk of reputational harm to institutions whose access to accounts and services has been removed, the Federal Reserve believes overall that greater transparency on the names of institutions with access to accounts and services nonetheless may be provided to the general public without causing harm to these institutions or the Federal Reserve.

The Federal Reserve requests comments on all aspects of the Proposal. Comments on the Proposal are due on or before January 17, 2023.

\* \* \*

ENDNOTES

---

- <sup>1</sup> Guidelines for Evaluating Account and Services Requests, 87 Fed. Reg. 68,691 (Nov. 16, 2022); see *also* Board of Governors of the Federal Reserve System, Guidelines for Evaluating Account and Services Requests (Nov. 4, 2022), *available at* <https://www.federalreserve.gov/newsevents/pressreleases/files/other20221104a1.pdf>.
- <sup>2</sup> Board of Governors of the Federal Reserve System, Guidelines for Evaluating Account and Services Requests (Aug. 15, 2022), *available at* <https://www.federalreserve.gov/newsevents/pressreleases/files/other20220815a1.pdf>.
- <sup>3</sup> Sullivan & Cromwell LLP, Final Guidelines on Federal Reserve Bank Account Access (Aug. 19, 2022), *available at* <https://www.sullcrom.com/files/upload/sc-publication-final-guidelines-on-federal-reserve-bank-account-access.pdf>.

## SULLIVAN & CROMWELL LLP

### ABOUT SULLIVAN & CROMWELL LLP

Sullivan & Cromwell LLP is a global law firm that advises on major domestic and cross-border M&A, finance, corporate and real estate transactions, significant litigation and corporate investigations, and complex restructuring, regulatory, tax and estate planning matters. Founded in 1879, Sullivan & Cromwell LLP has more than 900 lawyers on four continents, with four offices in the United States, including its headquarters in New York, four offices in Europe, two in Australia and three in Asia.

### CONTACTING SULLIVAN & CROMWELL LLP

This publication is provided by Sullivan & Cromwell LLP as a service to clients and colleagues. The information contained in this publication should not be construed as legal advice. Questions regarding the matters discussed in this publication may be directed to any of our lawyers or to any Sullivan & Cromwell LLP lawyer with whom you have consulted in the past on similar matters. If you have not received this publication directly from us, you may obtain a copy of any past or future publications by sending an e-mail to [SCPublications@sullcrom.com](mailto:SCPublications@sullcrom.com).