

the Call Report raises significant supervisory and other concerns. Consistent with that determination, the agencies propose to revise the instructions to clarify that an institution must not derecognize DTAs for NOLs or tax credit carryforwards on its separate-entity regulatory reports prior to the time when such carryforwards are absorbed by the consolidated group.

#### *B. Standardized Approach for Counterparty Credit Risk (SA-CCR)*

The agencies are proposing a revision to add a new item to the Call Report forms related to early or voluntary adoption of the standardized approach for counterparty credit risk methodology in the agencies' capital rules.<sup>11</sup>

#### Background

On January 24, 2020, the agencies issued a final rule<sup>12</sup> (SA-CCR final rule) that amends the regulatory capital rule to implement a new approach for calculating the exposure amount for derivative contracts for purposes of calculating the total risk-weighted assets (RWA), which is called SA-CCR. The final rule also incorporates SA-CCR into the determination of the exposure amount of derivatives for total leverage exposure under the supplementary leverage ratio, and the cleared transaction framework under the capital rule.

Banking institutions that are not advanced approaches institutions may elect to use SA-CCR to calculate standardized total RWA by notifying their appropriate federal supervisor.<sup>13</sup> Advanced approaches institutions are required to use SA-CCR to calculate standardized total RWA starting on January 1, 2022. Advanced approaches institutions may adopt SA-CCR prior to January 1, 2022, but must notify their appropriate federal supervisor of early adoption.<sup>14</sup>

#### Proposed Change

The agencies are proposing to revise Schedule RC-R, Part I, Regulatory Capital Components and Ratios, on all versions of the Call Report by adding a new line item 31.b, "Standardized Approach for Counterparty Credit Risk opt-in election." The agencies are proposing to add this new item to identify institutions that have chosen to early adopt or voluntarily elect SA-

CCR, which would allow for enhanced comparability of the reported derivative data and for better supervision of the implementation of the framework at these institutions. Due to the inherent complexity of adopting SA-CCR, this identification is particularly important for non-advanced approaches institutions that choose to voluntarily adopt SA-CCR.

A non-advanced approaches institution that adopts SA-CCR would enter "1" for "Yes" in line item 31.b. All other non-advanced approaches institutions would leave this item blank. If a non-advanced approaches institution has elected to use SA-CCR, the institution may change its election only with prior approval of its appropriate federal regulator.<sup>15</sup> An advanced approaches institution that elects to early adopt SA-CCR prior to the January 1, 2022, mandatory compliance date would enter "1" for "Yes" in line item 31.b. After January 1, 2022, an advanced approaches institution would leave this item blank. This proposed reporting change would take effect starting with the December 31, 2021, Call Report. This item would no longer be applicable to advanced approaches institutions starting with the March 31, 2022, report date.

#### III. Request for Comment

Public comment is requested on all aspects of this joint notice. Comment is specifically invited on:

(a) Whether the proposed revisions to the collections of information that are the subject of this notice are necessary for the proper performance of the agencies' functions, including whether the information has practical utility;

(b) The accuracy of the agencies' estimates of the burden of the information collections as they are proposed to be revised, including the validity of the methodology and assumptions used;

(c) Ways to enhance the quality, utility, and clarity of the information to be collected;

(d) Ways to minimize the burden of information collections on respondents, including through the use of automated collection techniques or other forms of information technology; and

(e) Estimates of capital or start-up costs and costs of operation, maintenance, and purchase of services to provide information.

Comments submitted in response to this joint notice will be shared among the agencies.

**Theodore J. Dowd,**

*Deputy Chief Counsel, Office of the Comptroller of the Currency.*

Board of Governors of the Federal Reserve System.

**Michelle Taylor Fennell,**

*Deputy Associate Secretary of the Board.*

Federal Deposit Insurance Corporation.

Dated at Washington, DC, on July 13, 2021.

**James P. Sheesley,**

*Assistant Executive Secretary.*

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## DEPARTMENT OF THE TREASURY

### Bureau of the Fiscal Service

#### Prompt Payment Interest Rate; Contract Disputes Act

**AGENCY:** Bureau of the Fiscal Service, Treasury.

**ACTION:** Notice of prompt payment interest rate; Contract Disputes Act.

**SUMMARY:** For the period beginning July 1, 2021, and ending on December 31, 2021, the prompt payment interest rate is 1½% per centum per annum.

**DATES:** Effective July 1, 2021, to December 31, 2021.

**ADDRESSES:** Comments or inquiries may be mailed to: E-Commerce Division, Bureau of the Fiscal Service, 401 14th Street SW, Room 306F, Washington, DC 20227. Comments or inquiries may also be emailed to [PromptPayment@fiscal.treasury.gov](mailto:PromptPayment@fiscal.treasury.gov).

**FOR FURTHER INFORMATION CONTACT:** Thomas M. Burnum, E-Commerce Division, (202) 874-6430; or Thomas Kearns, Senior Counsel, Office of the Chief Counsel, (202) 874-7036.

**SUPPLEMENTARY INFORMATION:** An agency that has acquired property or service from a business concern and has failed to pay for the complete delivery of property or service by the required payment date shall pay the business concern an interest penalty. 31 U.S.C. 3902(a). The Contract Disputes Act of 1978, Sec. 12, Public Law 95-563, 92 Stat. 2389, and the Prompt Payment Act, 31 U.S.C. 3902(a), provide for the calculation of interest due on claims at the rate established by the Secretary of the Treasury.

The Secretary of the Treasury has the authority to specify the rate by which the interest shall be computed for interest payments under section 12 of the Contract Disputes Act of 1978 and

<sup>11</sup> 12 CFR part 3 (OCC); 12 CFR part 217 (Board); 12 CFR part 324 (FDIC).

<sup>12</sup> 85 FR 4362 (Jan. 24, 2020).

<sup>13</sup> 12 CFR 3.34(a)(1)(ii) (OCC); 12 CFR 217.34(a)(1)(ii) (Board); 12 CFR 324.34(a)(1)(ii) (FDIC).

<sup>14</sup> 12 CFR 3.300(g) (OCC); 12 CFR 217.300(h) (Board); 12 CFR 324.300(g) (FDIC).

<sup>15</sup> 12 CFR 3.34(a)(1)(ii) (OCC); 12 CFR 217.34(a)(1)(ii) (Board); 12 CFR 324.34(a)(1)(ii) (FDIC).

under the Prompt Payment Act. Under the Prompt Payment Act, if an interest penalty is owed to a business concern, the penalty shall be paid regardless of whether the business concern requested payment of such penalty. 31 U.S.C. 3902(c)(1). Agencies must pay the interest penalty calculated with the interest rate, which is in effect at the

time the agency accrues the obligation to pay a late payment interest penalty. 31 U.S.C. 3902(a). “The interest penalty shall be paid for the period beginning on the day after the required payment date and ending on the date on which payment is made.” 31 U.S.C. 3902(b).

Therefore, notice is given that the Secretary of the Treasury has

determined that the rate of interest applicable for the period beginning July 1, 2021, and ending on December 31, 2021, is 1 $\frac{1}{8}$  per centum per annum.

**Matthew J. Miller,**  
*Acting Commissioner, Bureau of the Fiscal Service.*

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