

## **ELECTRONIC FILING OF PART 363 ANNUAL REPORTS AND OTHER REPORTS AND NOTICES**

The Federal Deposit Insurance Corporation (FDIC) has launched a program that provides insured depository institutions that are subject to Part 363 of the FDIC's regulations (covered institutions) the option to file annual reports and other reports and notices required under Part 363 electronically through *FDICconnect* (FCX), rather than in paper form. FCX is the FDIC's secure website for conducting business with the FDIC. The "Financial Institution Part 363 Reporting" transaction is located in the Supervisory Business Center (SBC) area of FCX.

The FDIC encourages covered institutions to begin using FCX-SBC as soon as practical. Covered institutions that already have filed Part 363 Annual Reports and any other required reports and notices in 2016 are encouraged to also file them electronically in FCX-SBC to become familiar with and provide feedback on FCX-SBC.

After institutions and the FDIC have gained sufficient experience with the electronic filing process, the FDIC will consider whether to propose amendments to Part 363 that would mandate the electronic filing of Part 363 Annual Reports and other required reports and notices with the FDIC.

Part 363 Annual Reports filed electronically through FCX-SBC will not be accessible to the public on the FDIC's public website. As a result, each institution must continue to make its annual report available for public inspection as required by Part 363.

### **Background**

Section 36 of the Federal Deposit Insurance Act (FDI Act) and Part 363 of the FDIC's regulations impose annual audit and reporting requirements on insured depository institutions with \$500 million or more in total assets. Section 36 is generally intended to facilitate early identification of problems in financial management at insured depository institutions above specified asset size thresholds through annual independent audits, assessments of the effectiveness of internal control over financial reporting (ICFR), assessments of compliance with designated laws and regulations, and related reporting requirements. Section 36 and Part 363 also include requirements for audit committees at covered institutions.

### ***FDICconnect* – Supervisory Business Center**

Covered institutions may now file Part 363 Annual Reports and other reports and notices required by Section 36 of the FDI Act and Part 363 of the FDIC's regulations electronically in FCX-SBC. Subject to certain criteria set forth in Part 363, covered institutions that are subsidiaries of holding companies may continue to comply with Part 363 at a holding company level and file reports electronically in FCX-SBC. Each report or notice to be filed electronically must be submitted as a separate PDF file, which is the only acceptable file format for FCX-SBC. However, all of the components of a Part 363 Annual Report<sup>1</sup> can be submitted in a single PDF

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<sup>1</sup> The components of a Part 363 Annual Report are audited comparative annual financial statements, the independent public accountant's report on the audited financial statements, management's statement of responsibilities, management's assessment of compliance with designated laws and regulations, and, if applicable, management's assessment of ICFR and the independent public accountant's report on ICFR.

file or as separate individual PDF files containing one or more of the components of the annual report. The size of each PDF file is limited to 20MB, and the maximum number of PDF files that can be submitted per FCX-SBC transaction is ten. The system accepts electronic signatures. However, a covered institution must maintain a copy of each report with original signatures that is readily available for inspection and review by the FDIC or other appropriate federal or state supervisors.

A covered institution that files reports and notices with the FDIC using FCX-SBC must continue to separately submit copies of its Part 363 Annual Reports and other required reports and notices to its primary federal regulator, if other than the FDIC (i.e., the Federal Reserve Board or the Office of the Comptroller of the Currency), and any appropriate state bank supervisor.

An independent public accountant who provides audit services to one or more covered institution clients cannot use FCX-SBC to electronically file reports that Part 363 requires the accountant to submit to the FDIC. Therefore, such an independent public accountant must continue to file paper copies of its most recent American Institute of Certified Public Accountants peer review report and the public portion of its most recent Public Company Accounting Oversight Board inspection report, if any, with the FDIC, Accounting and Securities Disclosure Section, 550 17th Street, NW, Washington, DC 20429.

The independent public accountant also must continue to file paper copies of any notice by the accountant of resignation from or termination of services for a covered institution with the FDIC and other applicable federal and state supervisors. The independent public accountant may satisfy its notification requirement with the FDIC if the accountant confirms that the covered institution's management has caused such notification to be filed with the FDIC.

The FDIC invites the managements of covered institutions and other interested parties to submit feedback on the usefulness of the FCX-SBC electronic filing system. Feedback will be helpful when the FDIC periodically considers technical or other system upgrades and assesses whether to mandate electronic filing. Comments and suggestions may be submitted via email to [Part363@fdic.gov](mailto:Part363@fdic.gov).

### **Access to FDICconnect – Supervisory Business Center**

Under existing FCX usage guidelines, each covered institution must have an FCX Coordinator and must maintain at least one current Coordinator registration at all times.

A covered institution should choose the Coordinator and implement controls that address the operational risks inherent in online transactions. An institution's Coordinator can authorize as many FCX users as deemed necessary. An FCX user must complete an online registration at <https://www.fdicconnect.gov> and be approved by the institution's Coordinator. The Coordinator designates the FCX users who will have access to Part 363 transactions. For assistance in adding users or with other system-related issues, a Coordinator should contact the FDICconnect Helpdesk at [FDICconnect@fdic.gov](mailto:FDICconnect@fdic.gov) or 877-275-3342 (select option 4 for the Helpdesk).