

§ 420.5

(c) *Records to be made and kept by other entities.* (1) An aggregating entity that is not subject to the provisions of paragraph (b) of this section shall make and preserve a journal, blotter, or other record of original entry containing an itemized record of all transactions that fall within the definition of a reportable position, including information showing the account for which such transactions were effected and the following information pertaining to the identification of each instrument: the type of security, the par amount, the CUSIP number, the trade date, the maturity date, the type of transaction (e.g., a reverse repurchase agreement), and the name or other designation of the person from whom sold or purchased.

(2) If such aggregating entity is also the designated filing entity, then in addition, it shall make and preserve the following records:

(i) Copies of all large position reports filed pursuant to this part;

(ii) Supporting documents or schedules used to compute data for the large position reports filed pursuant to this part, including any certifications or schedules it receives from aggregating entities pertaining to their holdings of a reportable position; and

(iii) A chart showing the organizational entities that are aggregated (if applicable) in determining a reportable position.

(3) With respect to the records required by paragraphs (c) (1) and (2) of this section, each such aggregating entity shall preserve such records for a period of not less than six years, the first two years in an easily accessible place. If an aggregating entity maintains its records at a location other than its principal place of business, the aggregating entity must maintain an index that states the location of the records, and such index must be easily accessible at all times.

(Approved by the Office of Management and Budget under control number 1535-0089)

[61 FR 48350, Sept. 12 1996, as amended at 61 FR 52498, Oct. 7, 1996]

17 CFR Ch. IV (4-1-12 Edition)

§ 420.5 Effective Date.

The provisions of this part, except for § 420.4(a), shall be first effective on March 31, 1997.

[61 FR 48350, Sept. 12 1996, as amended at 61 FR 52498, Oct. 7, 1996; 61 FR 53996, Oct. 16, 1996]

APPENDIX A TO PART 420—SEPARATE REPORTING ENTITY

Subject to the following conditions, one or more aggregating entity(ies) (e.g., parent, subsidiary, or organizational component) in a reporting entity, either separately or together with one or more other aggregating entity(ies), may be recognized as a separate reporting entity. All of the following conditions must be met for such entity(ies) to qualify for recognition as a separate reporting entity:

(1) Such entity(ies) must be prohibited by law or regulation from exchanging, or must have established written internal procedures (i.e., Chinese walls) designed to prevent the exchange of information related to transactions in Treasury securities with any other aggregating entity;

(2) Such entity(ies) must not be created for the purpose of circumventing these large position reporting rules;

(3) Decisions related to the purchase, sale or retention of Treasury securities must be made by employees of such entity(ies). Employees of such entity(ies) who make decisions to purchase or dispose of Treasury securities must not perform the same function for other aggregating entities; and

(4) The records of such entity(ies) related to the ownership, financing, purchase and sale of Treasury securities must be maintained by such entity(ies). Those records must be identifiable—separate and apart from similar records for other aggregating entities.

To obtain recognition as a separate reporting entity, each aggregating entity or group of aggregating entities must request such recognition from the Department pursuant to the procedures outlined in paragraph 400.2(c) of this title. Such request must provide a description of the entity or group and its position within the reporting entity, and provide the following certification:

“[Name of the entity(ies)] hereby certifies that to the best of its knowledge and belief it meets the conditions for a separate reporting entity as described in Appendix A to 17 CFR Part 420. The above named entity also certifies that it has established written policies or procedures, including ongoing compliance monitoring processes, that are designed to prevent the entity or group of entities from:

Department of the Treasury

Pt. 449

“(1) Exchanging any of the following information with any other aggregating entity (a) positions that it holds or plans to trade in a Treasury security; (b) investment strategies that it plans to follow regarding Treasury securities; and (c) financing strategies that it plans to follow regarding Treasury securities, or

“(2) In any way intentionally acting together with any other aggregating entity with respect to the purchase, sale, retention or financing of Treasury securities.

“The above-named entity agrees that it will promptly notify the Department in writ-

ing when any of the information provided to obtain separate reporting entity status changes or when this certification is no longer valid.”

Any entity, including any organizational component thereof, that previously has received recognition as a separate bidder in Treasury auctions from the Department pursuant to 31 CFR Part 356 is also recognized as a separate reporting entity without the need to request such status, provided such entity continues to be in compliance with the conditions set forth in Appendix A of 31 CFR Part 356.

APPENDIX B TO PART 420—SAMPLE LARGE POSITION REPORT

FORMULA FOR DETERMINING A REPORTABLE POSITION

[\$ Amounts in millions at par value as of trade date]

Security Being Reported	_____
Date For Which Information is Being Reported	_____
1. Net Trading Position:	
Cash/Immediate Net Settled Positions	\$ _____
Net When-Issued Positions for To-Be-Issued and Reopened Issues	\$ _____
Net Forward Settling Positions Including Next-Day Settling	\$ _____
Net Positions in Futures Contracts Requiring Delivery of the Specific Security	\$ _____
Net Holdings of STRIPS Principal Components of the Specific Security	\$ _____
Total Net Trading Position	\$ _____
2. Gross Financing Position:	
Total of securities received through	
Reverse Repurchase Agreements	
Overnight and Open	\$ _____
Term	\$ _____
Bonds borrowed, and as collateral for financial derivatives and other financial transactions	\$ _____
Total Gross Financing position	+\$ _____
3. Net Fails Position	+\$ _____
(Fails to receive less fails to deliver. If equal to or less than zero, report 0.)	
4. Total Reportable Position	= \$ _____
Memorandum 1:	
Report the total gross par amounts of securities delivered through	
Repurchase Agreements	
Overnight and Open	\$ _____
Term	\$ _____
Securities loaned, and as collateral for financial derivatives and other securities transactions	\$ _____
Total Memorandum 1	\$ _____
Memorandum 2:	
Report the gross par amount of fails to deliver. Included in the calculation of line item 3 (Net Fails Position)	\$ _____

[67 FR 77415, Dec. 18, 2002; 68 FR 402, Jan. 3, 2003]

PART 449—FORMS, SECTION 15C OF THE SECURITIES EXCHANGE ACT OF 1934

Sec.

449.1 Form G-FIN, notification by financial institutions of status as government se-

curities broker or dealer pursuant to section 15C(a)(1)(B)(i) of the Securities Exchange Act of 1934.

449.2 Form G-FINW, notification by financial institutions of cessation of status as government securities broker or dealer pursuant to section 15C(a)(1)(B)(i) of the