(e)(1) of this section if the following requirements are met:
(i) The FDIC-supervised insured depository institution placing and directing the allocation of an order eligible for post-execution allocation has been granted written investment discretion with regard to participating customer accounts and makes the following information available to retail forex customers upon request:
(A) The general nature of the post-execution allocation methodology the FDIC-supervised insured depository institution will use;
(B) Whether the FDIC-supervised insured depository institution has any interest in accounts which may be included with customer accounts in bunched orders eligible for post-execution allocation; and
(C) Summary or composite data sufficient for that customer to compare its results with those of other comparable customers and, if applicable, any account in which the FDIC-supervised insured depository institution has an interest.
(ii) Post-execution allocations are made as soon as practicable after the entire transaction is executed;
(iii) Post-execution allocations are fair and equitable, with no account or group of accounts receiving consistently favorable or unfavorable treatment; and
(iv) The post-execution allocation methodology is sufficiently objective and specific to permit the FDIC to verify the fairness of the allocations using that methodology.
(f) Record of monthly statements and confirmations. An FDIC-supervised insured depository institution shall retain a copy of each monthly statement and confirmation required by section 349.10.
(g) Manner of maintenance. The records required by this section must clearly and accurately reflect the information required and provide an adequate basis for the audit of the information. Record maintenance may include the use of automated or electronic records provided that the records are easily retrievable, readily available for inspection, and capable of being reproduced in hard copy.

§ 349.9 Margin requirements.
(a) Margin required. An FDIC-supervised insured depository institution engaging, or offering to engage, in retail forex transactions must collect from each retail forex customer an amount of margin not less than:
(1) Two percent of the notional value of the retail forex transaction for major currency pairs and 5 percent of the notional value of the retail forex transaction for all other currency pairs;
(2) For short options, 2 percent for major currency pairs and 5 percent for all other currency pairs of the notional value of the retail forex transaction, plus the premium received by the retail forex customer; or
(3) For long options, the full premium charged and received by the FDIC-supervised insured depository institution.
(b)(1) Form of margin. Margin collected under paragraph (a) of this section or pledged by a retail forex customer for retail forex transactions in excess of the requirements of paragraph (a) of this section must be in the form of cash or the following financial instruments:
(ii) General obligations of any State or of any political subdivision thereof;
(iii) General obligations issued or guaranteed by any enterprise, as defined in 12 U.S.C. 4502(10);
(iv) Certificates of deposit issued by an insured depository institution, as
§ 349.10 Defined in §3(c)(2) of the Federal Deposit Insurance Act (12 U.S.C. 1813(c)(2));
(v) Commercial paper;
(vi) Corporate notes or bonds;
(vii) General obligations of a sovereign nation;
(viii) Interests in money market mutual funds; and
(ix) Such other financial instruments as the FDIC deems appropriate.

(2) Haircuts. An FDIC-supervised insured depository institution shall establish written policies and procedures that include:
(i) Haircuts for noncash margin collected under this section; and
(ii) Annual evaluation, and, if appropriate, modification of the haircuts.

(c) Separate margin account. Margin collected by the FDIC-supervised insured depository institution from a retail forex customer for retail forex transactions or pledged by a retail forex customer for retail forex transactions shall be placed into a separate account containing only such margin.

(d) Margin calls; liquidation of position. For each retail forex customer, at least once per day, an FDIC-supervised insured depository institution shall:
(1) Mark the value of the retail forex customer’s open retail forex positions to market;
(2) Mark the value of the margin collected under this section from the retail forex customer to market;
(3) Determine if, based on the marks in paragraphs (c)(1) and (2) of this section, the FDIC-supervised insured depository institution has collected margin from the retail forex customer sufficient to satisfy the requirements of this section; and
(4) Collect such margin from the retail forex customer as the FDIC-supervised insured depository institution may require to satisfy the requirements of this section, or liquidate the retail forex customer’s retail forex transactions.

(e) Set-off prohibited. An FDIC-supervised insured depository institution may not:
(1) Apply a retail forex customer’s retail forex obligations against any funds or other asset of the retail forex customer other than margin in the separate margin account described in paragraph (c) of this section;
(2) Apply a retail forex customer’s retail forex obligations to increase the amount owed by the retail forex customer to the FDIC-supervised insured depository institution under any loan; or
(3) Collect the margin required under this section by use of any right of set-off.

§ 349.10 Required reporting to customers.

(a) Monthly statements. Each FDIC-supervised insured depository institution must promptly furnish to each retail forex customer, as of the close of the last business day of each month or as of any regular monthly date selected, except for accounts in which there are neither open positions at the end of the statement period nor any changes to the account balance since the prior statement period, but in any event not less frequently than once every three months, a statement that clearly shows:
(1) For each retail forex customer:
(i) The open retail forex transactions with prices at which acquired;
(ii) The net unrealized profits or losses in all open retail forex transactions marked to the market;
(iii) Any money, securities or other property in the separate margin account required by §349.9(c); and
(iv) A detailed accounting of all financial charges and credits to the retail forex customer’s retail forex accounts during the monthly reporting period, including: money, securities, or property received from or disbursed to such customer; realized profits and losses; and fees, charges, commissions, and spreads.
(2) For each retail forex customer engaging in retail forex transactions that are options:
(i) All such options purchased, sold, exercised, or expired during the monthly reporting period, identified by underlying retail forex transaction or underlying currency, strike price, transaction date, and expiration date;
(ii) The open option positions carried for such customer and arising as of the end of the monthly reporting period, identified by underlying retail forex

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