modified from the dates in the proposed rules to provide affected firms with sufficient time to make the necessary preparations to comply with the rules. Effective June 30, 1995, affected firms will be required to maintain records of an organizational chart, written risk management procedures, and a description of material legal or arbitration proceedings; the entire recordkeeping provisions will apply as of September 30, 1995.

The Department's rules will require affected firms to file the organizational chart, the written risk management procedures, and the description of material legal or arbitration proceedings (Part I, Items 1–3 of Form 17–H) by July 31, 1995; the entire reporting provisions (i.e., the remaining portions of Form 17-H, including documents attached in accordance with the special provisions for entities subject to certain domestic and foreign regulators) will apply for the period ending September 30, 1995. The affected firms will have 60 calendar days after September 30, 1995, and after each subsequent fiscal quarter, to actually file the remaining portions of Form 17–H. The cumulative year-end financial statements required pursuant to §404.2(b)(4) must be filed within 105 calendar days of the end of the fiscal year.

Note that following the first filing by July 31, 1995, of the organizational chart, the written risk management procedures, and the description of material legal or arbitration proceedings, this information need be included in quarterly filings only when a material change in the information has occurred. Additionally, the organizational chart is required in each year-end filing.

IV. Special Analysis

It has been determined that these amendments are not a "significant regulatory action" for the purposes of Executive Order 12866. Therefore, a Regulatory Assessment is not required.

In the preamble to the proposed rules, pursuant to the Regulatory Flexibility Act (5 U.S.C. 601, *et seq.*), the Department certified that these amendments, if adopted, would not have a significant economic impact on a substantial number of small entities. Accordingly, a regulatory flexibility analysis was not prepared. In reviewing the final rules being adopted herein and in light of the fact that no comments were received, the Department has concluded that there is no reason to alter the previous certification.

The collections of information contained in the final regulations have been reviewed and approved by the Office of Management and Budget in accordance with the Paperwork Reduction Act (44 U.S.C. 3504(h)) under control number 1535–0089.

Estimated total annual reporting and recordkeeping burden: 264 hours

Estimated average annual burden per respondent and recordkeeper: 24 hours

Estimated number of respondents and recordkeepers: 11

Estimated annual frequency of response: Four

Comments concerning the accuracy of this burden estimate and suggestions for reducing this burden should be directed to the Forms Management Branch, Bureau of the Public Debt, Department of the Treasury, Parkersburg, West Virginia 26106–1328; and to the Office of Management and Budget, Paperwork Reduction Project 1535–0089, Attention: Desk Officer for Department of the Treasury, Washington, DC 20503.

List of Subjects

17 CFR Part 404

Banks, Banking, Brokers, Government securities, Reporting and recordkeeping requirements.

17 CFR Part 405

Brokers, Government securities, Reporting and recordkeeping requirements.

For the reasons set out in the Preamble, 17 CFR parts 404 and 405 are amended as follows:

PART 404—RECORDKEEPING AND PRESERVATION OF RECORDS

1. The authority citation for part 404 is revised to read as follows:

Authority: 15 U.S.C. 780–5 (b)(1)(B), (b)(1)(C), (b)(2), (b)(4).

2. Section 404.2 is amended by redesignating paragraphs (b) and (c) as paragraphs (c) and (d), respectively; by revising newly redesignated paragraph (c); and by adding new paragraph (b) to read as follows:

§ 404.2 Records to be made and kept current by registered government securities brokers and dealers; records of nonresident registered government securities brokers and dealers.

(b) Every registered government securities broker or dealer shall comply with the requirements of § 240.17h–1T of this title (SEC Rule 17h–1T), with the following modifications:

(1) For the purposes of this section, references to "broker or dealer" and "broker or dealer registered with the Commission pursuant to Section 15 of the Act" mean registered government securities brokers or dealers.

(2) For the purposes of this section, references to \$\$ 240.17h-1T and 240.17h-2T of this title mean those sections as modified by \$\$ 404.2(b) and 405.5, respectively.

(3) For the purposes of this section, "associated person" has the meaning set out in Section 3(a)(18) of the Act (15 U.S.C. 78c(a)(18)), except that natural persons are excluded.

(4) Paragraphs 240.17h–1T(a)(1)(iii) through (vi) of this title are modified to read as follows:

"(iii) A description of all material pending legal or arbitration proceedings involving a Material Associated Person or the registered government securities broker or dealer that are required to be disclosed, under generally accepted accounting principles on a consolidated basis, by the highest level holding company that is a Material Associated Person.

"(iv) Consolidated and consolidating balance sheets, prepared in accordance with generally accepted accounting principles, which may be unaudited and which shall include the notes to the financial statements, as of quarter-end for the registered government securities broker or dealer and its highest level holding company that is a Material Associated Person;

"(v) Quarterly consolidated and consolidating income statements and consolidated cash flow statements, prepared in accordance with generally accepted accounting principles, which may be unaudited and which shall include the notes to the financial statements, for the registered government securities broker or dealer and its highest level holding company that is a Material Associated Person;

"(vi) The amount as of quarter-end, and at month-end if greater than quarter-end, of the aggregate long and short securities and commodities positions held by each Material Associated Person, including a separate listing of each single unhedged securities or commodities position, other than U.S. Treasury securities, that exceeds the Materiality Threshold at any month-end;"

(5) Paragraphs 240.17h–1T(a)(3) and (a)(4) of this title are modified to read as follows:

"(3) The information, reports and records required by the provisions of this section shall be maintained and preserved in accordance with the provisions of § 404.3 of this title and shall be kept for a period of not less than three years in an easily accessible place.

"(4) For the purposes of this section and \S 405.5 of this title, the term