

§ 420.2(c) to reduce the amount of the gross financing position by the par amount of securities received but over which the reporting entity did not have effective control, the amount not included. The total amount of reduction should be deducted from the gross financing position prior to determining the reportable position.

(3) An illustration of a sample report is contained in Appendix B. Each of the net trading position elements shall be netted and reported as the applicable positive or negative number (or zero). The gross financing position and net fails position should each be reported as a single entry. If the amount of the net fails position is zero or less, report zero. All of these items should be reported in the order specified above. All position amounts and their components should be reported at par in millions of dollars.

(4) All balances must be reported as of the close of business of the reporting date(s) specified in the notice.

(5) Each submitted report must include the following administrative information in addition to the reportable position: the name of the reporting entity, the address of the principal place of business, the name and address of the designated filing entity, the Treasury security that is being reported, the CUSIP number, the report date or dates for which information is being reported, the date the report was submitted, the name and telephone number of the person to contact regarding information reported, and the name and position of the authorized individual submitting this report. The report must also be signed by the authorized individual, who must be one of the following: the chief financial officer, the chief operating officer, the chief executive officer, or the managing partner or equivalent of the designated filing entity. The designated filing entity must also include in its report, immediately preceding the signature, a statement of certification as follows:

The reporting entity submitting this report and the person(s) by whom it is executed hereby certify that all information contained in the report is accurate and complete and that the reporting entity is in compliance with the requirements of 17 CFR Part 420.

(6) The report must be filed before noon Eastern time on the second business day following issuance of the press release.

(d) A report to be filed pursuant to paragraph (c) will be considered filed when received by the Federal Reserve Bank of New York. The report may be filed in any manner acceptable to the Federal Reserve Bank of New York.

(e) A reporting entity that has filed a report pursuant to paragraph (c) shall, at

the request of the Department or the Federal Reserve Bank of New York, timely provide any supplemental information pertaining to such report.

§ 420.4 Recordkeeping.

(a)(1) Notwithstanding the provisions of paragraphs (b) and (c) of this section, an aggregating entity must make and maintain records pursuant to this part as of its effective date, but only if the aggregating entity has controlled a portion of its reporting entity's reportable position in any Treasury security when such reportable position of the reporting entity has equaled or exceeded the minimum large position threshold specified in § 420.2(d) (i.e., \$2 billion) during the prior two-year period ending [90 days after publication of the final rule]. Subsequent to the effective date, an aggregating entity that controls a portion of its reporting entity's reportable position in a recently-issued Treasury security, when such reportable position of the reporting entity equals or exceeds the minimum large position threshold, shall be responsible for making and maintaining the records prescribed in this part.

(2) In the case of a reporting entity whose reportable position in any Treasury security has equaled or exceeded the minimum large position threshold during the prior two-year period ending [90 days after publication of the final rule], each such reporting entity's designated filing entity shall submit a letter to the Federal Reserve Bank of New York certifying that it has in place, or will have in place by the effective date, a recordkeeping system (including policies and procedures) capable of making, verifying the accuracy of, and preserving the records required pursuant to this section.

(3) The letter specified in paragraph (a)(2) of this section must be signed by one of the following: the chief financial officer, the chief operating officer, the chief executive officer, or the managing partner or equivalent of the designated filing entity and must be received by the Federal Reserve Bank of New York no later than [120 days after publication of the final rule].

(b) Records to be made and preserved by entities that are subject to the recordkeeping provisions of the Commission, the Department, or the appropriate regulatory agencies for financial institutions. As an aggregating entity, compliance by a registered broker or dealer, registered government securities broker or dealer, noticed financial institution, depository institution that exercises investment discretion, registered investment advisor, or registered investment

company with the applicable recordkeeping provisions of the Commission, the Department, or the appropriate regulatory agencies for financial institutions shall constitute compliance with this section, provided that if such entity is also the designated filing entity it:

(1) Makes and keeps copies of all large position reports filed pursuant to this part;

(2) Makes and keeps supporting documents or schedules used to compute data for the large position reports filed pursuant to this part;

(3) Makes and keeps a chart showing the organizational entities that are aggregated (if applicable) in determining a reportable position; and

(4) With respect to recordkeeping preservation requirements that contain more than one retention period, preserves records required by paragraphs (b)(1)-(3) of this section for the longest record retention period of applicable recordkeeping provisions.

(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; 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