

index that states the location of the records, and such index must be easily accessible at all times.

§ 420.5 Effective Date.

The provisions of this part, except for § 420.4(a), shall be first effective on [180 days from the date of publication of the final rule. If the date does not fall on the last day of the month, then move the date to the end of the month.].

Appendix A to Part 420—Separate Reporting Entity

Subject to the following conditions, one or more aggregating entity(ies) (e.g., parent or subsidiary) 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 § 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:

"(1) Exchanging any of the following information with any other aggregating entity (a) positions that it holds or plans to acquire 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 writing when any of the information provided to obtain separate reporting entity status changes or when this certification is no longer valid."

Any entity 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 further action.

Appendix B to Part 420—Sample Large Position Report.

Formula for Determining a Reportable Position

[\$ Amounts in millions at par value]

Date For Which Information Is Being Reported: _____

- | | |
|---|------------|
| 1. Cash/Immediate Net Settled Positions | \$ _____ |
| 2. Net When-Issued Positions for To-Be-Issued and Reopened Issues | +\$ _____ |
| 3. Net Forward Settling Positions Including Next Day Settling | +\$ _____ |
| 4. Net Positions in Futures Contracts Requiring Delivery of the Specific Security | +\$ _____ |
| 5. Net STRIPS Principal Components of the Specific Security . | +\$ _____ |
| 6. Gross Financing Position (Includes total of securities received through reverse repos, bonds borrowed, securities received in pledge, collateralized credit extended.) | +\$ _____ |
| 7. Net Fails Position (Fails to Receive less Fails to Deliver. If equal to or less than 0, report 0.) | +\$ _____ |
| 8. Total Reportable Position | = \$ _____ |

Formula for Determining a Reportable Position—Continued

[\$ Amounts in millions at par value]

Memorandum #1: Report one total which includes the gross par amounts of securities delivered through repurchase agreements, securities loaned, securities pledged, and collateralized loans. Not included in item #6 (Gross Financing Position) as reported above. \$ _____

Memorandum #2: If the optional exclusion was taken to reduce the amount of the Gross Financing Position by the amount of securities received but that the reporting entity did not have effective control over (e.g., third party custodial structures, hold-in-custody relationships, counterparty retained contractual right to substitute), indicate the total amount of reduction here. Deduct from item #6 (Gross Financing Position). \$ _____

Administrative Information To Be Provided in the Report

Name of Reporting Entity:
Address of Principal Place of Business:
Name and Address of the Designated Filing Entity:

Treasury Security Reported on:
CUSIP Number:

Date or Dates for Which Information Is Being Reported:

Date Report Submitted:
Name and Telephone Number of Person to Contact Regarding Information Reported:

Name and Position of Authorized Individual Submitting this Report (Chief Financial Officer, Chief Operating Officer, Chief Executive Officer, or Managing Partner or Equivalent of Designated Filing Entity):

Statement of Certification: "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."

Signature of Authorized Person Named Above:

* * * *

Date:

Darcy Bradbury,

Deputy Assistant Secretary (Federal Finance).

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