



## **FEDERAL RESERVE SYSTEM**

### **Agency Information Collection Activities: Announcement of Board Approval under Delegated Authority and Submission to OMB**

**AGENCY:** Board of Governors of the Federal Reserve System.

**SUMMARY:** The Board of Governors of the Federal Reserve System (Board) is adopting a proposal to extend for three years, with revision, the Notice by Financial Institutions of Government Securities Broker or Government Securities Dealer Activities and the Notice by Financial Institutions of Termination of Activities as a Government Securities Broker or Government Securities Dealer (Form G-FIN and Form G-FINW; OMB No. 7100-0224). The revisions are effective immediately.

#### **FOR FURTHER INFORMATION CONTACT:**

Federal Reserve Board Clearance Officer – Nuha Elmaghrabi – Office of the Chief Data Officer, Board of Governors of the Federal Reserve System, Washington, DC 20551, (202) 452-3829.  
Office of Management and Budget (OMB) Desk Officer – Shagufta Ahmed – Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Room 10235, 725 17<sup>th</sup> Street, NW, Washington, DC 20503, or by fax to (202) 395-6974.

A copy of the Paperwork Reduction Act (PRA) OMB submission, including the reporting form and instructions, supporting statement, and other documentation will be placed into OMB's public docket files. These documents also are available on the Federal Reserve Board's public website at <https://www.federalreserve.gov/apps/reportforms/review.aspx> or may be requested from the agency clearance officer, whose name appears above.

**SUPPLEMENTARY INFORMATION:** On June 15, 1984, OMB delegated to the Board authority under the PRA to approve and assign OMB control numbers to collections of information conducted or sponsored by the Board. Board-approved collections of information are incorporated into the official OMB inventory of currently approved collections of information. Copies of the PRA Submission, supporting statements, and approved collection of information instrument(s) are placed into OMB's public docket files.

**Final Approval under OMB Delegated Authority of the Extension for Three Years, With Revision, of the Following Information Collections:**

*Report title:* Notice by Financial Institutions of Government Securities Broker or Government Securities Dealer Activities.

*Agency form number:* Form G-FIN.

*OMB control number:* 7100-0224.

*Effective Date:* The revisions are effectively immediately.

*Frequency:* On occasion.

*Respondents:* State member banks, foreign banks, uninsured state branches or state agencies of foreign banks, commercial lending companies owned or controlled by foreign banks, and Edge corporations.

*Estimated number of respondents:* Reporting, 34; Recordkeeping, 2.

*Estimated average hours per response:* Reporting, 1; Recordkeeping, 0.25.

*Estimated annual burden hours:* 35.

*General description of report:* The Securities Exchange Act of 1934, as amended (the Act),<sup>1</sup> requires financial institutions to notify their appropriate regulatory agency (ARA) prior to using the mails or any means or instrumentality of interstate commerce to engage in government

---

<sup>1</sup> 15 U.S.C 78o-5.

securities broker or dealer activities. The Board is the ARA for state member banks, foreign banks, uninsured state branches or state agencies of foreign banks, commercial lending companies owned or controlled by foreign banks, and Edge corporations (collectively, “Board regulated financial institutions”). A Board regulated financial institution must use Form G-FIN to register as a government securities broker or dealer or to amend a previously submitted G-FIN.

Form G-FIN collects such information as the company name, all business addresses, names and titles of managers of government securities activities, and the names of any persons involved in disciplinary proceedings related to the sale of securities. The Board uses the information collected by Form G-FIN to measure compliance with the Act.

An important function of the Form G-FIN is to help financial institutions determine whether they must file notices pursuant to the Act. The definitions of government securities broker and government securities dealer in the Act are very broad and, if read literally, would encompass most banks and many thrift institutions. The Treasury has the authority to exempt institutions from this requirement if it is consistent with the intent of the Act. When the Treasury regulations were first drafted to implement the reporting requirements of the Act, the ARAs worked closely to narrow the class of financial institution required to file the Form G-FIN (reflected in Part B of the instructions, Who Must File).

In addition to incorporating the Treasury’s exemptions from the notice requirement in the reporting instructions, these exemptions are prominently summarized on the cover sheet of the Form G-FIN in order to provide a simpler and easier means for financial institutions to determine if they are exempt.

*Report title:* Notice by Financial Institutions of Termination of Activities as a Government Securities Broker or Government Securities Dealer.

*Agency form number:* Form G-FINW.

*OMB control number:* 7100-0224.

*Effective Date:* The revisions are effectively immediately.

*Frequency:* On occasion.

*Respondents:* State member banks, foreign banks, uninsured state branches or state agencies of foreign banks, commercial lending companies owned or controlled by foreign banks, and Edge corporations.

*Estimated number of respondents:* Reporting, 2; Recordkeeping, 1.

*Estimated average hours per response:* Reporting, 0.25; Recordkeeping, 0.25.

*Estimated annual burden hours:* 1.

*General description of report:* The Act requires financial institutions to notify their ARA upon terminating government securities broker or dealer activities. A Board regulated financial institution must use Form G-FINW to notify the Board of its termination of such activities. Form G-FINW collects information such as the company name, address, and contact person responsible for the records associated with the government securities broker or dealer activities. The Board uses the information collected by Form G-FINW to measure compliance with the Act. The information collected by Form G-FINW is not available from other sources.

The instructions for Form G-FINW state that a notificant should retain one exact copy of each completed Form G-FINW for the notificant's records. These records must be kept until at least three years after the financial institution has notified the Board that it has ceased to function as a government securities broker or dealer.

*Legal authorization and confidentiality:* Forms G-FIN and G-FINW are authorized under the Act, 15 U.S.C. 78o-5(a)(1)(B)(i), which requires a financial institution that is a broker or dealer of government securities to submit a written notice advising its ARA that it is a government securities broker or a government securities dealer or that it has ceased to act as such. The Act also directs the Board, in consultation with the other ARAs (the Federal Deposit Insurance Corporation and the Office of the Comptroller of the Currency),<sup>2</sup> as well as the Securities and Exchange Commission (SEC), to prescribe the form of and the information collected in these notices (15 U.S.C. 78o-5(a)(1)(B)(ii)). Further support for the creation and collection of these notices by the Board is found in the Treasury regulations, authorized by 15 U.S.C. 78o-5(b)(1), which instruct that the Form G-FIN and Form G-FINW are promulgated by the Board and that such forms are to be used by non-exempt<sup>3</sup> financial institutions to notify the ARA of their status as government securities brokers or dealers or the termination of such status.<sup>4</sup>

Section 15C of the Act, 15 U.S.C. 78o-5(b)(1)(C), also instructs the Secretary of the Treasury to promulgate recordkeeping requirements regarding the forms and records to be retained by government securities brokers and dealers and to specify the time period for which such records shall be preserved. Accordingly, the recordkeeping requirement associated with these forms is contained in 17 CFR 404.4, which requires state member banks and uninsured state branches or state agencies of foreign banks, as well as other institutions, to retain these forms for three years after the financial institution notifies its ARA that it has ceased to function as a government securities broker or dealer. Although Treasury's recordkeeping requirement

---

<sup>2</sup> A copy of the form filed with each ARA is also made available by the ARA to the SEC under the Act (15 U.S.C. 78o-5(a)(1)(B)(iii)).

<sup>3</sup> The Act permits the Secretary of the Treasury to exempt certain government securities brokers or dealers, 15 U.S.C. 78o-5(a)(5), and the Secretary of the Treasury has promulgated regulations exempting certain types of firms. See 17 CFR Part 401.

<sup>4</sup> See 17 CFR 400.1(d), 449.1, and 449.2; see also 17 CFR 400.5(b) (requiring that any amendments or corrections to the notice of status of government securities broker or dealer be filed by the financial institution on Form G-FIN within 30 days).

does not explicitly apply to foreign banks, Edge corporations, or commercial lending companies that are owned or controlled by foreign banks, the Board has the authority to “issue such rules and regulations with respect to transactions in government securities as may be necessary to prevent fraudulent and manipulative acts and practices and to promote just and equitable principles of trade” (15 U.S.C. 78o-5(b)(3)(A)). Imposing a recordkeeping requirement on foreign banks, Edge corporations, and commercial lending companies owned or controlled by foreign banks is necessary for the public interest and protection of investors in order to ensure that the proper notification has been provided when these institutions are transacting in government securities (15 U.S.C. 78o-5(a)(1)(B)). In addition, the Board is authorized to impose a recordkeeping requirement on foreign banking organizations<sup>5</sup> (12 U.S.C. 3108), on Edge corporations (12 U.S.C. 625), and on commercial lending companies that are owned or controlled by foreign banks (12 U.S.C. 3106, as applied through 12 U.S.C. 1844(c)).

The obligation to file the Form G-FIN and Form G-FINW with the Board, and the obligation for the government securities broker or dealer to retain a copy of the Form G-FIN and Form G-FINW, is mandatory for those financial institutions for which the Board serves as the ARA, unless the financial institution is exempt from the reporting requirement under Treasury’s regulations. The filing of these forms and the records retention period is event-generated.

Under the Act, each ARA is instructed to make these forms available to the SEC, and the SEC is instructed to make the notices available to the public (15 U.S.C. 78o-5(a)(1)(B)(iii)).

Thus, the information collected on Form G-FIN and Form G-FINW is ordinarily not treated as confidential. However, given that Item 6 of Form G-FIN instructs the filer to attach copies of the confidential Form G-FIN-4, or if applicable, to attach copies of any previously filed confidential

---

<sup>5</sup> A foreign banking organization is a foreign bank that operates a branch, agency, or commercial lending company subsidiary in the United States; controls a bank in the United States; or controls an Edge corporation acquired after March 5, 1987; and any company of which the foreign bank is a subsidiary.

Form MSD-4 or confidential Form U-4, these attachments may be treated as confidential under exemptions 4 and/or 6 of the Freedom of Information Act, which protect, respectively, “trade secrets and commercial or financial information obtained from a person [that is] privileged or confidential” and information about individuals in “personnel and medical files and similar files” when the disclosure of such information “would constitute a clearly unwarranted invasion of personal privacy” (5 U.S.C. 552(b)(4) and 5 U.S.C. 552(b)(6)).

*Current actions:* On August 29, 2019, the Board published a notice in the Federal Register (84 FR 45491) requesting public comment for 60 days on the extension, with revision, of the Notice by Financial Institutions of Government Securities Broker or Government Securities Dealer Activities and the Notice by Financial Institutions of Termination of Activities as a Government Securities Broker or Government Securities Dealer (Form G-FIN and Form G-FINW). The changes proposed include revising the Form G-FIN and Form G-FINW to (1) require respondents to submit PDF versions of the forms and any attachments to a designated email address, and (2) to correct cross-references on the following forms: G-FIN-4, Form MSD-4, and Form U-4, which are incorporated by reference in Item 7 of the Form G-FIN. The comment period for this notice expired on October 28, 2019. One public comment was received, but it was outside the scope of the Board's review under the PRA.

Board of Governors of the Federal Reserve System, December 17, 2019.

**Michele Taylor Fennell,**

*Assistant Secretary of the Board.*

Billing Code 6210-01-P

[FR Doc. 2019-27600 Filed: 12/20/2019 8:45 am; Publication Date: 12/23/2019]