

§ 404.3

Commission” mean any rule or regulation of the Secretary.

(2) For the purposes of this section, the term “non-resident government securities broker or dealer” means:

(i) In the case of an individual, one who resides in or has his principal place of business in any place not subject to the jurisdiction of the United States;

(ii) In the case of a corporation, one incorporated in or having its principal place of business in any place not subject to the jurisdiction of the United States; and

(iii) In the case of a partnership or other unincorporated organization or association, one having its principal place of business in any place not subject to the jurisdiction of the United States.

(d) *Effective date.* Paragraph (a) of this section shall be effective on October 31, 1987, *except that* registered government securities brokers and dealers are required to maintain the records specified in §240.17a-3(a) (12), (13), (14) and (15) beginning July 25, 1987.

(Approved by the Office of Management and Budget under control number 1535-0089)

[52 FR 27952, July 24, 1987, as amended at 60 FR 11026, Mar. 1, 1995; 60 FR 20399, Apr. 26, 1995]

§ 404.3 Records to be preserved by registered government securities brokers and dealers.

(a) Every registered government securities broker or dealer, except a government securities interdealer broker subject to the financial responsibility rules of §402.1(e) and a registered government securities broker or dealer that is also a futures commission merchant registered with the CFTC, shall comply with the requirements of §240.17a-4 of this title (SEC Rule 17a-4), with the following modifications:

(1) References to “broker or dealer” and “broker and dealer registered pursuant to Section 15 of the Act” include registered government securities brokers or dealers.

(2) References to §§240.17a-3, .17a-4, and .17a-5 mean such sections as modified by this part and part 405 of this chapter.

(3) References to §240.15c3-1, relating to net capital, and “Computation for

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Net Capital” thereunder mean §402.2 of this chapter and the computation of the ratio of liquid capital to total haircuts required thereunder.

(4) References to §240.15c3-3, relating to possession or control of customer securities and balances, mean §403.4 of this chapter.

(5) References to Form X-17A-5 mean Form G-405 (§449.5 of this chapter).

(6) The computation described in §240.17a-4(b)(8)(x) is not required.

(b) A government securities interdealer broker subject to the financial responsibility rules of §402.1(e) and a registered government securities broker or dealer that is also a futures commission merchant registered with the CFTC, shall comply with the requirements of §240.17a-4 of this title (SEC Rule 17a-4), with the following modifications:

(1) References to “broker or dealer” and “broker and dealer” include registered government securities brokers or dealers.

(2) References to §§240.17a-3, 240.17a-4, and 240.17a-5 mean such sections as modified by this part and part 405 of this chapter.

(3) With respect to a government securities interdealer broker subject to the financial responsibility rules of §402.1(e) of this chapter, references to §240.15c3-1, relating to net capital, and “Computation for Net Capital” thereunder include the modifications contained in §402.1(e) of this chapter.

(4) References to §240.15c3-3, relating to possession or control of customer securities and balances, mean §403.4 of this chapter.

(c) This section shall be effective on July 25, 1987.

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[52 FR 27952, July 24, 1987, as amended at 60 FR 11026, Mar. 1, 1995]

§ 404.4 Records to be made and preserved by government securities brokers and dealers that are financial institutions.

(a) *Records to be made and kept.* Every financial institution that is a government securities broker or dealer and that is not exempt from this part pursuant to part 401 of this chapter shall comply with the requirements of