

**Supporting Statement**  
**Recordkeeping Requirements for Securities Transactions**  
**OMB Control No. 1557-0142**

**A. Justification.**

**1. Circumstances that make the collection necessary:**

The information collection requirements in 12 CFR parts 12 and 151 are required to ensure that national banks and Federal savings associations comply with securities laws and to improve the protections afforded to persons who purchase and sell securities through these financial institutions. Parts 12 and 151 establish recordkeeping and confirmation requirements applicable to certain securities transactions effected by national banks or Federal savings associations for customers.

**2. Use of the information:**

The transaction confirmation information required by these regulations ensures that customers receive a record of each securities transaction and that financial institutions and the OCC have the records necessary to monitor compliance with securities laws and regulations. The OCC uses the required information in the course of its examinations to evaluate, among other things, an institution's compliance with the antifraud provisions of the Federal securities laws.

The information collection requirements contained in 12 CFR parts 12 and 151 are as follows:

- 12 CFR 12.3 requires a national bank effecting securities transactions for customers to maintain records for at least three years. The records required by this section must clearly and accurately reflect the information required and provide an adequate basis for the audit of the information.
- 12 CFR 151.50 requires a Federal savings association effecting securities transactions for customers to maintain records for at least three years. 12 CFR 151.60 provides that the records required by 12 CFR 151.50 must clearly and accurately reflect the information required and provide an adequate basis for audit of the information.
- 12 CFR 12.4 requires a national bank to give or send to the customer a written notification of the transaction or a copy of the registered broker/dealer confirmation relating to the transaction at or before completion of the securities transaction and establishes minimum disclosures needed for a customer's securities transactions.
- 12 CFR 151.70, 151.80 and 151.90 establish the minimum disclosures required for a Federal savings association's confirmation of a customer's securities transactions.

- 12 CFR 151.90 requires a Federal savings association to provide its customers with a written notice of each securities transaction, which it must give or send to the customer at or before the completion of the securities transaction.
- 12 CFR 12.5(a), (b), (c), and (e) describe notification procedures that a national bank may elect to use, as an alternative to complying with § 12.4, to notify customers of transactions in which the bank does not exercise investment discretion, trust transactions, agency transactions, and certain periodic plan transactions.
- 12 CFR 151.100 describes notification procedures that a Federal savings association may use, as an alternative to complying with 12 CFR 151.70, 151.80 or 151.90, for an account in which the savings association does not exercise investment discretion, trust transactions, agency transactions, certain periodic plan transactions, collective investment fund transactions, and money market funds.
- 12 CFR 12.7(a)(1) through (a)(3) require national banks to maintain and adhere to policies and procedures that assign responsibility for supervision of employees who perform securities trading functions, provide for the fair and equitable allocation of securities and prices to accounts, and provide for crossing of buy and sell orders on a fair and equitable basis.
- 12 CFR 151.140 requires Federal savings associations to adopt written policies and procedures dealing with the functions involved in effecting securities transactions on behalf of customers. These policies and procedures must assign responsibility for the supervision of employees who perform securities trading functions, provide for the fair and equitable allocation of securities prices to accounts, and provide for crossing of buy and sell orders on a fair and equitable basis.
- 12 CFR 12.7(a)(4) requires certain national bank officers and employees involved in the securities trading process to report to the bank all personal transactions in securities made by them or on their behalf in which they have a beneficial interest.
- 12 CFR 151.150 requires certain Federal savings association officers and employees to report personal transactions they make or that are made on their behalf in which they have a beneficial interest.
- 12 CFR 12.8 requires a national bank seeking a waiver of one or more of the requirements of §§ 12.2 through 12.7 to file a written request for waiver with the OCC.

### ***3. Consideration of the use of improved information technology:***

An institution may use any software or hardware to facilitate compliance with the regulations.

**4. Efforts to identify duplication:**

This recordkeeping requirement is not duplicative of any other requirement imposed on institutions.

**5. Methods used to minimize burden on small entities:**

Parts 12 and 151 impose the minimum burden possible in keeping with the OCC's supervisory and public protection responsibilities.

**6. Consequences to the Federal program if the collection were conducted less frequently:**

Less frequent collection would not comply with applicable statutes, would be inadequate for OCC purposes, and could impair the OCC's supervisory program.

**7. Special circumstances that would cause an information collection to be conducted in a manner inconsistent with 5 CFR Part 1320:**

None. The information collection is conducted in accordance with the requirements of 5 CFR Part 1320.

**8. Efforts to consult with persons outside the agency:**

On March 6, 2015, the OCC issued a 60-Day Federal Register notice regarding the collection. 80 FR 12261. No comments were received.

**9. Payment or gift to respondents:**

None.

**10. Any assurance of confidentiality:**

The information is kept confidential to the extent permissible by law.

**11. Justification for questions of a sensitive nature:**

Not applicable. No personally identifiable information is collected.

**12. Burden estimate:**

Section	Burden Type	Number of Respondents	Average Hours Per Response	Estimated Burden Hours
12 CFR 12.3, 151.50 and 151.60	Recordkeeping	399	1 hour	399 hours
12 CFR 12.4, 12.5, 151.70, 151.80, 151.90 and 151.100	Disclosure	399	1 hour	399 hours
12 CFR 12.7 and 151.140	Recordkeeping	399	2 hour	798 hours
12 CFR 12.7 and 151.150	Reporting	399	1.5 hours	598.5 hours
12 CFR 12.8	Reporting	3	40 hour	120 hours
<b>Total</b>		<b>399 respondents</b>		<b>2,314.5 hours</b>

**Cost of Hour Burden to Respondents:**

The OCC estimates the cost of the hour burden to respondents (by wage rate categories) as follows

Clerical (\$20/hour):	80% x 2,314.5 hours = 1,851.6 hours @ \$20 = \$ 37,032
Managerial/technical (\$40/hour):	20% x 2,314.5 hours = 462.9 hours @ \$40 = \$ 18,516
Senior Management (\$80/hour):	not applicable
Legal Counsel (\$100/hour):	not applicable
Total cost of hour burden to respondents:	\$ 55,548

**13. Estimate of total annual costs to respondents (excluding cost of hour burden in Item #12):**

None.

**14. Estimate of annualized costs to the Federal government:**

None.

**15. *Change in burden:***

Prior Burden: 6,944 hours.

Current Burden: 2,315 hours.

Difference: - 4,629 hours.

The change in burden is due to the availability of more accurate burden estimates.

**16. *Information regarding collections whose results are to be published for statistical use:***

The OCC has no plans to publish the information for statistical purposes.

**17. *Reasons for not displaying OMB approval expiration date:***

Not applicable.

**18. *Exceptions to the certification statement in Item 19 of OMB Form 83-I:***

None.

**B. *Collections of Information Employing Statistical Methods.***

Not applicable.