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KENNETH LAMAR
VICE PRESIDENT

February 14, 2007

To: U.S. Government Securities Primary Dealers

I am writing to inform you that the Board of Governors of the Federal Reserve System, under delegated authority, has approved revisions to the forms and instructions of the Government Securities Dealers reports (FR 2004). The final Federal Register notice and copies of the final FR 2004 forms and instructions can be found on the Board's public website at:

<http://www.federalreserve.gov/boarddocs/reportforms/review.cfm>

The effective date for the new reports is the March 7, 2007 as-of date.

Final Revisions

The proposed revisions to the FR 2004A, FR 2004B, FR 2004C, FR 2004SI, FR 2004WI, and FR 2004SD include an attestation requirement. Since all FR 2004 data are sent electronically through the Internet Electronic Submission (IESUB) system to the Federal Reserve, the proposed signature requirement is to be completed weekly and retained with the primary dealer's files. To verify that the proper level of management is attesting to the accuracy of the data, a copy of each signed report must be submitted to the Federal Reserve annually. These would be required with the submission for the last as-of date of each calendar year.

On the FR 2004SI and FR 2004SD, the changes include replacing the two counterparty data items "with broker-dealer" and "with all others" with two transactional data items "Specific" and "General" for financing transactions. Capturing these data would allow the comparison of specific with general

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collateral transactions for securities trading and would improve the ability to conduct market surveillance.

If you have any questions regarding these issues, please contact Justin McAvoy, Team Leader in the Government Securities Dealer Statistics Unit, at (212) 720-7993 or Brian Osterhus, Staff Director of the Deposits and Primary Dealer Reports Division, at (212) 720-8023. They can also be reached via email at justin.mcavoy@ny.frb.org and brian.osterhus@ny.frb.org.

Sincerely,

-- Signed by Kenneth P. Lamar --

Kenneth P. Lamar
Vice President
Financial Reports Department