

pursuant to this section and that the entity maintaining the records undertakes to permit examination of those records at any time or from time to time during business hours by representatives or designees of the Commission and to promptly furnish the Commission or its designee a true, correct, complete and current copy of any or all or any part of those records in either paper, or electronically if the records are stored electronically. The election to store records pursuant to the provisions of this paragraph (c) shall not relieve the supervised investment bank holding company from any of its responsibilities under this section or § 240.17i-6.

(d) All information obtained by the Commission pursuant to this section from the supervised investment bank holding company shall be accorded confidential treatment.

§ 240.17i-6. Reporting requirements for supervised investment bank holding companies.

(a) *Filing of monthly reports.* The supervised investment bank holding company shall file:

(1) A monthly risk report not later than 17 business days after the end of each month that does not end a quarter, which shall include:

(i) A consolidated balance sheet, income statement, and computations of allowable capital and allowances for market, credit, and operational risk pursuant to § 240.17i-7 (including notes to the financial statements) for the affiliate group; and

(ii) A graph reflecting, for each business line, the daily intra-month VaR;

(iii) Consolidated credit risk information, including:

(A) Aggregate current exposure and current exposures (including commitments) listed by counterparty for:

(1) The 15 largest exposures; and
(2) The 5 largest exposures to regulated financial institutions;

(B) The 10 largest commitments by counterparty;

(C) Maximum potential exposure listed by counterparty for:

(1) The 15 largest exposures; and
(2) The 5 largest exposures to regulated financial institutions;

(D) The aggregate maximum potential exposure;

(iv) A summary report reflecting the geographic distribution of the supervised investment bank holding company's exposures on a consolidated basis for each of the top ten countries to which it is exposed (by residence of the main operating group of the counterparty); and

(v) Certain regular risk reports provided to the persons responsible for managing risk for the affiliate group as the Commission may request from time to time.

(2) A quarterly risk report, which may be unaudited, not later than 35 calendar days after the end of each quarter, including:

(i) The information described in paragraph (a)(1) of this section;

(ii) A consolidating balance sheet and income statement (including notes to the financial statements) for the affiliate group. The consolidating balance sheet shall break out information regarding each material affiliate into separate columns, but may consolidate information regarding affiliate group entities that are not material affiliates into one column;

(iii) The results of backtesting of all models used to compute allowable capital and allowances for market and credit risk indicating, for each model, the number of backtesting exceptions;

(iv) A description of all material pending legal or arbitration proceedings involving any member of the affiliate group that are required to be disclosed by the supervised investment bank holding company under generally accepted accounting principles; and

(v) The aggregate amount of commercial paper, secured and other unsecured borrowing, bank loans, lines of credit, or any other borrowings, and the principal installments of long-term or medium-term debt, scheduled to mature within twelve months from the most recent quarter by each affiliated broker or dealer and any other material affiliate, together with the allowance for losses for those transactions.

(b) *Additional reports.* In addition to the reports required by paragraph (a) of this section, upon receiving written notice from the Commission, the supervised investment bank holding company shall file other information as the Commission may request in order to monitor:

(1) The supervised investment bank holding company's financial or operational condition, risk management system, and transactions and relationships among members of the affiliate group; or

(2) The extent to which the supervised investment bank holding company has complied with the provisions of the Act and regulations prescribed and orders issued under the Act.

(c) *Annual filing of audited financial statements.*

(1) A supervised investment bank holding company shall file annually, on a calendar or fiscal year basis, an annual

audit report containing a consolidated balance sheet, income statement, and computations of allowable capital and allowances for market, credit and operational risk computed in accordance with § 240.17i-7 (including notes to the financial statements).

(2) Annual audit reports prepared pursuant to this paragraph (c) shall be prepared as of the same date as the annual audit of the supervised investment bank holding company's subsidiary broker or dealer.

(3) Annual audit reports prepared pursuant to this paragraph (c) shall be filed concurrently with the annual audit of its affiliated broker or dealer (as required pursuant to § 240.17a-5(d)) as follows:

(i) Two copies shall be filed at the Commission's principal office in Washington, DC; and

(ii) One copy shall be filed at the regional office of the Commission for the region in which the supervised investment bank holding company's subsidiary broker or dealer is located.

(d) *Nature and form of reports.* A supervised investment bank holding company shall file the financial statements pursuant to paragraph (c) of this section in accordance with the following requirements:

(1) An accountant that meets the requirements of paragraph (e) of this section shall conduct an audit and give an opinion covering the statements filed pursuant to paragraph (c) of this section.

(2) The supervised investment bank holding company shall attach to the report required by paragraph (c)(1) of this section an oath or affirmation that to the best knowledge and belief of the individual making the oath or affirmation the information contained in the report is true and correct. The oath or affirmation shall be made before a person duly authorized to administer the oath or affirmation. If the supervised investment bank holding company is a partnership, the oath or affirmation shall be made by a general partner; if a corporation, the oath or affirmation shall be made by the chief executive officer, or, in the absence of a chief executive officer, by the person authorized to act in that officer's place.

(e) *Accountants.* (1) The provisions of § 240.17a-5(f) shall apply to a supervised investment bank holding company as though the supervised investment bank holding company were a broker or dealer, except that, a supervised investment bank holding company shall not be required to send notice to any designated examining authority as indicated in § 240.17a-5(d)(2)(i) and (d)(4).