*The following forms are available but in light of rapidly changing business and regulatory environments, current accuracy of these forms cannot be assured.*

**Restated Repo Trading Practices Guidelines - published: 17-Apr-03**

Update No. 98-2

Repo Trading Practices Guidelines

Section A of the Guidelines, entitled "Confidential Nature of Transactions" addresses the issues of confidentiality and color in the context of blind brokered, name "give-up" and dealer to dealer repo transactions. It is the general consensus that "confidentiality" refers to the responsibility of dealers and brokers not to provide the names or identities of the parties to a trade, or other information that is aimed at discovering the name or identity of the parties to a trade, to others, and that acceptable "color" with respect to completed trades refers only to information regarding the security description, repo rate, size and time of the trade and the number of sellers and buyers involved in the trade. "Name give-up" refers to the obligation of the broker to disclose the names of the counterparties to a repo trade to each other in which the broker has disclosed it is acting solely as agent, immediately after the bid is hit or the offer is lifted.

In order to clarify the responsibilities of both dealers and brokers in repo transactions and to promote best practices in the repo markets, especially in light of the increasing volume of blind brokered repo trading, the Funding Division Trading Practices Committee has revised the Confidentiality guideline, as set forth below. The Committee recommends that both dealer and broker member firms seriously consider incorporating the recommendations contained in the Confidentiality guideline as part of their own internal compliance policies and procedures governing trader conduct.

This Repo Trading Practice Guideline is a recommendation only and is intended for member firms in order to promote best practices in and the smooth functioning of the repo market. The recommendation does not and should not restrict the flexibility of counterparties to negotiate the specific terms of any particular repo transaction.

(The following paragraphs shall supersede and replace paragraphs A.1 and A.2 in the Restated Repo Trading Practices Guidelines.)

A. Maintaining Confidential Nature of Transactions

1.Confidentiality -

1.Blind Brokered Trades - Both dealers and brokers should maintain the confidentiality of the names and identities of parties to any blind brokered trade. It is incumbent upon both dealers and brokers to actively ensure that their own behavior contributes to the confidential nature of the transaction. Questions or general inquiries by dealers that are aimed at, intended to or reasonably would lead to, discover or otherwise gather information from brokers about the specific name or identity of, any party to any blind brokered trade are inappropriate. Likewise, it is inappropriate for brokers to provide any information to dealers not involved in the trade about the name or identity, or any information aimed at or intended to lead to discovery of the name or identity, of any party to a blind brokered trade.

2.Dealer to Dealer Trades - It is inappropriate for dealers involved in a dealer-to-dealer principal trade to disclose any information regarding the trade, other than as described in paragraph 3 below.

2.Name "Give-Up" Trades - The only time that the identity of parties to a transaction may be disclosed is: (i) in a trade where the broker has disclosed it is acting solely as agent (i.e. name "give-up" or non-blind brokered trades); and (ii) after the trade is completed (i.e. after the bid is hit or the offer is lifted); and then, the relevant identities may be disclosed only to the counterparties to that trade. This is appropriate to enable member firms to follow sound credit procedures.

3."Color" - When discussing completed trades, it is only appropriate for brokers or dealers to communicate the security description, repo rate, size and time of the relevant trade and the number of sellers and buyers involved in the trade.