



## ADDITIONAL DUE DILIGENCE GUIDANCE FOR ~~PRIMARY DEALER~~TALF AGENTS

In order to meet the requirements set forth in the Borrower Eligibility and FRBNY Due Diligence Policy, may a ~~primary dealer~~TALF Agent rely on the information about a potential TALF borrower provided to it by an investment advisor?

To the extent permitted by U.S. law or regulation, the ~~primary dealer~~TALF Agent may enter into a reliance agreement with an investment advisor provided that the investment advisor agrees to abide by the requirements set forth in the Borrower Eligibility and FRBNY Due Diligence Policy. Upon receipt of the information/documentation from the investment advisor, the ~~primary dealer~~TALF Agent is required to subject the potential borrower to its own KYC Program to ensure that the potential borrower is a reputable party that is acceptable to the ~~primary dealer~~TALF Agent (i.e., the ~~primary dealer~~TALF Agent would feel comfortable offering its services to such a borrower in other circumstances that are not TALF-related). In addition, if the ~~primary dealer~~TALF Agent makes a determination that a potential borrower is a Specified Borrower, the ~~primary dealer~~TALF Agent must escalate such a borrower to FRBNY.

The ~~primary dealer~~TALF Agent will be responsible for facilitating the submission of information provided by the investment advisor to FRBNY and for maintaining appropriate records. Information provided to the ~~primary dealer~~TALF Agent from the investment advisor to be submitted to FRBNY Compliance shall be submitted in the form required and in accordance with the Borrower Eligibility and FRBNY Due Diligence Policy.

**What are the KYC expectations regarding “legacy” customers/accounts?**

~~Primary dealers~~TALF Agents are required to escalate to FRBNY KYC information required in the TALF Borrower Due Diligence Form if a potential borrower meets the Specified Borrower criteria, regardless of the fact that such a customer/account is classified as a “legacy” customer/account. In instances where the potential borrower does not meet the Specified Borrower criteria, ~~primary dealers~~TALF Agents are not required to escalate such customers or accounts to FRBNY.

**May a TALF Agent ~~primary-dealer~~ allow a potential borrower to complete the TALF Borrower Due Diligence Form?**

Yes, a ~~primary-dealer~~TALF Agent may ask a potential borrower to complete the TALF Borrower Due Diligence Form. However, under these circumstances, the ~~primary-dealer~~TALF Agent is still required to implement all aspects of its KYC Program, including CIP, customer due diligence and enhanced due diligence (if required by the KYC Program), and must verify information provided by the potential borrower, where necessary or appropriate, as set forth in the ~~primary-dealer~~TALF Agent's KYC Program.

**Do the record-keeping requirements in the Borrower Eligibility and FRBNY Due Diligence Policy require ~~primary-dealer~~TALF Agents to maintain information used to verify a customer's identity for a period longer than is required by law or regulation?**

No, Section VII.A of the Borrower Eligibility and FRBNY Due Diligence Policy does not place additional record-keeping requirements that go beyond applicable laws and regulations on ~~primary-dealer~~TALF Agents with respect to customer identification verification information.

**If a ~~primary-dealer~~TALF Agent identifies a foreign government, or an entity controlled by a foreign government, as a material investor in a potential borrower, should a ~~primary-dealer~~TALF Agent escalate information related to such potential borrower?**

Yes, for the purposes of the Borrower Eligibility and FRBNY Due Diligence Policy, the FRBNY expects that foreign governments that are material investors will be treated as specified material investors. As such, any potential borrower in which a foreign government is a material investor should be escalated to FRBNY.

**If a sponsor no longer has control of an entity and is not a material investor in the entity does a ~~primary-dealer~~TALF Agent need to obtain information about such sponsor when looking through to an entity's principals?**

Under these circumstances, ~~primary-dealer~~TALF Agents should rely on their KYC Program and other internal policies in determining whether it is appropriate to identify and obtain information regarding a sponsor.

**How are capitalized terms in the Borrower Eligibility and FRBNY Due Diligence Policy defined?**

Capitalized terms not defined in the footnotes of the due diligence policy have the meanings given to them in the MLSA or the Terms and Conditions as interpreted by the FAQs.

Are there circumstances in which information with respect to a ~~primary dealer~~TALF Agent-formed investment fund must be escalated to FRBNY Compliance if there are no material investors in such investment fund?

Investment funds established by ~~primary dealer~~TALF Agents should not be treated differently than other investment funds established by other financial institutions. That is, by following the ~~primary dealer~~TALF Agent's KYC Program and the guidance in the Borrower Eligibility and FRBNY Due Diligence Policy, if an investment fund is deemed to be a specified borrower, information related to the fund must be escalated to FRBNY.