

FEDERAL RESERVE BANK *of* NEW YORK *Serving the Second District and the Nation*

Primary Dealers

Primary dealers are trading counterparties of the New York Fed in its implementation of monetary policy. They are also expected to make markets for the New York Fed on behalf of its official accountholders as needed, and to bid on a pro-rata basis in all Treasury auctions at reasonably competitive prices.

LIST OF PRIMARY DEALERS

CURRENT LIST, ADDITIONS, REMOVALS & NAME CHANGES

PRIMARY DEALERS | ADDITIONS AND REMOVALS | NAME CHANGES

Primary Dealers

Amherst Pierpont Securities LLC
 Bank of Montreal, Chicago Branch
 Bank of Nova Scotia, New York Agency
 BNP Paribas Securities Corp.
 Barclays Capital Inc.
 BofA Securities, Inc.
 Cantor Fitzgerald & Co.
 Citigroup Global Markets Inc.
 Credit Suisse AG, New York Branch
 Daiwa Capital Markets America Inc.
 Deutsche Bank Securities Inc.
 Goldman Sachs & Co. LLC
 HSBC Securities (USA) Inc.
 Jefferies LLC
 J.P. Morgan Securities LLC
 Mizuho Securities USA LLC
 Morgan Stanley & Co. LLC
 NatWest Markets Securities Inc.
 Nomura Securities International, Inc.
 RBC Capital Markets, LLC
 Societe Generale, New York Branch
 TD Securities (USA) LLC
 UBS Securities LLC.
 Wells Fargo Securities, LLC

New primary dealers will begin reporting and transacting with the New York Fed upon completion of legal, operational and technical setup.

Historical Primary Dealer Lists [EXCEL](#)

EXPECTATIONS & REQUIREMENTS

These expectations supplement those outlined in the Federal Reserve Bank of New York Policy on Counterparties for Market Operations.

SPECIFIC EXPECTATIONS & ELIGIBILITY REQUIREMENTS

Disclaimer

The Federal Reserve Bank of New York's relationships with private sector counterparties described in this policy are business, not regulatory, relationships entered into by the New York Fed for the purposes described herein. That a firm is a New York Fed counterparty is not an endorsement of the firm by the New York Fed and should not be used as a substitute for independent analysis and due diligence by other parties considering a business relationship with the firm.

Role of primary dealers in New York Fed market operations

Primary dealers are trading counterparties of the New York Fed in its implementation of monetary policy. They are also expected to make markets for the New York Fed on behalf of its official accountholders as needed, and to bid on a pro-rata¹ basis in all Treasury auctions at reasonably competitive prices.

Primary dealers are expected to participate in open market operations consistently and competitively, in a variety of market environments, to support the implementation of monetary policy. In particular, a primary dealer is expected to participate consistently in any Treasury outright and repo operations that are conducted by the New York Fed's Trading Desk (Desk). If a primary dealer is active in agency debt or agency mortgage-backed securities (MBS), it is also expected to participate in any Desk operations in these instruments at a level commensurate with its presence in these markets.

The Desk also expects primary dealers to provide ongoing insight into market developments in its daily market monitoring activities to support the formulation and implementation of monetary policy. Primary dealers are expected to submit weekly activity reports on form FR2004, and are expected to respond to periodic surveys.

Primary dealers are eligible to participate in the New York Fed's securities lending program, which is designed to help ensure the effective conduct of open market operations.

Eligibility criteria

In order to be eligible as a primary dealer, a firm must:

- Be either (1) a broker-dealer² or government securities broker-dealer, registered with and supervised by the Securities and Exchange Commission (SEC) and approved as a member of the Financial Industry Regulatory Authority, Inc., and that has net regulatory capital³ of at least \$50 million⁴ or (2) a state or federally chartered bank or savings association (or a state or federal licensed branch or agency of a foreign bank) that is subject to bank supervision,⁵ and that maintains at least \$1 billion in Tier 1 capital.⁶
- Demonstrate a substantial presence as a market maker⁷ that provides two-way liquidity in U.S. government securities, particularly Treasury cash and repo operations, for at least one year prior to the application date;⁸
- Maintain a share of Treasury market making activity of at least 0.25 percent.⁹
- Demonstrate a capability to bid on a consistent basis for its pro rata share of auctions of Treasury securities, based on the number of primary dealers at the time of the auction. Its bid prices should be reasonably competitive when compared to the range of rates trading in the when-issued market, taking into account market volatility and other risk factors.
- If a branch, agency or subsidiary of a non-U.S. bank or holding company, that bank or holding company must be domiciled in a country that extends the same competitive opportunities to U.S. companies as it extends to domestic firms for the underwriting and distribution of national debt issuance.¹⁰
- Have, or have arrangements for another party to provide services of, a "back office" of sufficient size and experience to be able to (1) confirm and arrange settlement of transactions with the New York Fed and (2) support settlement of trading at the volume levels expected by the New York Fed.
- Have the operational and financial capacity to post margin for MBS transactions when needed.
- Clear through one of the U.S. clearing organizations with which the New York Fed has a clearing relationship, and have already established triparty repo/reverse repo settlement arrangements with such organizations.
- Be a participant in the central counterparty service for the government securities market—DTCC's FICC-GSD—to support clearing of primary market transactions.
- Have disaster recovery capabilities, reflected in their Business Continuity Plans (BCPs) and routinely tested, that ensure that robust end-to-end participation in Treasury auctions and Desk operations (including trading, clearing and settling) will occur

even amid a wide-scale disruption in the firm's primary front and back office locations by employing geographic dispersion between primary and secondary locations.

Once onboarded, primary dealers are expected to continue to meet these expectations and eligibility criteria on an ongoing basis.

Firms should contact the New York Fed at PDInfo@ny.frb.org before formally expressing interest in becoming a primary dealer and providing the requested information.

Expression of Interest Form for Primary Dealers

¹ Treasury promulgates rules and provides guidelines for Treasury auctions that are applicable to primary dealers and other bidders. Primary dealers are expected to bid the pro-rata share of each auction, an amount that is determined as the total amount auctioned, divided by the number of primary dealers at the time of the auction.

² To be eligible, a broker-dealer registered under Section 15(b) of the Securities Exchange Act of 1934, as amended (the Exchange Act), must also have provided notice of its status as a government securities broker-dealer to the SEC as required under Section 15C of the Exchange Act.

³ The New York Fed regards the level of a firm's regulatory capital as one indication of its operational capacity to perform the responsibilities of a primary dealer.

⁴ Securities Exchange Act Rule 15c3-1, 17 C.F.R. 240.15c3-1. Government securities broker-dealers registered with the SEC under Section 15C of the Exchange Act are subject to the liquid capital requirements of the Department of the Treasury (17 C.F.R. Part 402). Such a government securities broker-dealer would be expected to maintain liquid capital in an amount equivalent to the minimum net capital expected of registered broker-dealers subject to the SEC's net capital rule and to be in compliance with applicable requirements of the Department of the Treasury, the SEC, and self-regulatory organizations.

⁵ To be eligible, such an entity must also have provided notice of its status as government securities broker-dealer to the appropriate federal regulatory agency as required under Section 15C of the Exchange Act.

⁶ Tier 1 capital is measured at the level of the bank holding company.

⁷ A market maker is a firm that continuously provides prices to both buyers and sellers in the market, and stands ready to transact at those prices in various market environments.

⁸ An applicant's existing business should meet these business expectations such that becoming a primary dealer is a natural extension of that business. The business or business plan of a prospective primary dealer should not depend upon it being designated a primary dealer.

⁹ The market share threshold is calculated based on both purchases for the firm's own account in Treasury auctions and the firm's customer trading volume compared to the total for all existing primary dealers as reported on the FR 2004 report.

¹⁰ This requirement was established by the Primary Dealers Act of 1988 (the Act), *22 U.S.C. 5341-5342*. To date, the Board and the New York Fed have made affirmative determinations with respect to France, Germany, Japan, the Netherlands, Switzerland and the United Kingdom. In addition, firms controlled by persons domiciled in Canada and Israel are grandfathered under the Act.

REPORTING FORMS & INSTRUCTIONS

Primary dealers are required to provide data on their market activity. The New York Fed expects primary dealers to submit accurate data, but it does not audit the data.

REPORTING FORMS & INSTRUCTIONS

- **FR 2004A/B/C: Weekly Report of Dealer Positions, Transactions, and Financing**
To provide information regarding positions, transactions and financing.
- **FR 2004SI: Weekly Report of Specific Issues**
To provide information on specific U.S. Treasury securities.
- **FR 2004WI: Daily Report of Dealer Positions in Treasury Financings**
To provide data on the position of U.S. Treasury notes and bonds that the Treasury Department has offered for sale but has not yet issued (when-issued securities).

STATISTICAL RELEASES

Primary dealers report their trading activities and their cash and financing positions in Treasury and other securities on a weekly basis. Though the New York Fed expects primary dealers to report accurately, the New York Fed itself does not audit the data.

[CURRENT DATA](#)

[HISTORICAL SEARCH](#)

SURVEYS

Primary dealers are surveyed on their expectations for the economy, monetary policy and financial market developments prior to Federal Open Market Committee meetings. Since 2011, the surveys and their results have been posted online. [Find past surveys and their results.](#)

Announcements

[Lorie Logan on Desk Operations: The New Normal
2021 Primary Dealers Meeting, April 8, 2021](#)

[Agenda for the Annual Meeting with Primary
Dealers
April 8, 2021](#)

Data

[Weekly Positions, Transactions & Financing](#)
[Quarterly Market Share Data of Transactions](#)
[Year-to-date Market Share Data of Transactions](#)
[Historical Data Search](#)

Primary Dealer Surveys

[December 2021 Survey Results](#)
[See all primary dealer surveys.](#)

RECEIVE E-MAIL ALERTS FOR THIS PAGE

enter your email

RELATED NEW YORK FED CONTENT

RELATED EXTERNAL CONTENT
