

Kansas Administrative Regulations

Office of the State Bank Commissioner

Article 23.—Trust Supervision

17-23-14. Time of notification for securities transactions.

The time for mailing or otherwise furnishing the written notification described in K.A.R. 17-23-13 shall be five business days from the date of the transaction, or if a broker or dealer is utilized, within five business days from the receipt by the bank or trust company of the broker or dealer's confirmation. However, the bank or trust company may elect to use the following alternative procedures if the transaction is effected for the following types of securities. (a) For accounts, except periodic plans, for which the bank or trust company does not exercise investment discretion, the bank or trust company and the customer may agree in writing to a different arrangement as to the time and content of the notification. The agreement shall make clear the customer's right to receive the written notification within the prescribed time period at no additional cost to the customer.

(b) For accounts, except collective investment funds, for which the bank or trust company exercises investment discretion in other than an agency capacity, the bank or trust company shall, upon request of the person having the power to terminate the account or, if there is no such person, upon the request of any person holding a vested beneficial interest in the account, mail or otherwise furnish to the person the written notification within a reasonable time. The bank or trust company may charge that person a reasonable fee for providing this information.

(c) Unless otherwise provided in the account agreement, for accounts for which the bank or trust company exercises investment discretion in an agency capacity, the following requirements shall be met:

(1) The bank or trust company shall mail or otherwise furnish to each customer not less frequently than once every three months an itemized statement which shall specify the funds and securities in the custody or possession of the bank or trust company at

the end of that period and all debits, credits, and transactions in the customer's account during that period; and

(2) if requested by the customer, the bank or trust company shall mail or otherwise furnish to the customer within a reasonable time the written notification described in K.A.R. 17-23-13. The bank or trust company may charge a reasonable fee for providing this information.

(d) For a collective investment fund, the provisions of K.A.R. 17-23-11 shall apply.

(e)(1) For a periodic plan, the bank or trust company shall mail or otherwise furnish to the customer as promptly as possible after each transaction a written statement showing the following information:

(A) The funds and securities in the custody or possession of the bank or trust company;

(B) all service charges and commissions paid by the customer in connection with the transaction; and

(C) all other debits and credits of the customer's account involved in the transaction.

(2) Upon the written request of any customer, the bank or trust company shall furnish the information described in K.A.R. 17-23-13. However, any information relating to remuneration paid in connection with the transaction shall not be required to be provided to the customer when paid by a source other than the customer. The bank or trust company may charge a reasonable fee for providing this information.

(Authorized by K.S.A. 2000 Supp. 9-1713; implementing K.S.A. 9-1601 and K.S.A. 2000 Supp. 9-2103, as amended by L. 2001, ch. 27, §1; effective Feb. 28, 1994; amended Jan. 18, 2002.)

***** Authenticated Kansas Administrative Regulation *****