Kansas Administrative Regulations

Office of the State Bank Commissioner

Article 17.—Financial Futures Contracts

17-17-7. Review of contracts; market valuation.

(a) Except for financial futures contracts described in K.A.R. 17-17-8, the bank shall review each open position and shall determine the market value at least monthly, regardless of whether the bank is required to deposit margin in connection with a given contract.

(b) The bank shall value each contract on the basis of either market or the lower of cost or market, at the option of the bank.

(1) The bank shall recognize any losses resulting from monthly contract valuation as a current expense item. Any bank that values contracts on a market basis shall recognize gains as current income items.

(2) In the event the above described contracts result in the acquisition of securities, the bank shall record these securities on a basis consistent with that applied to the contracts, meaning either market or the lower of cost or market.

(Authorized by K.S.A. 9-1713; implementing K.S.A. 1995 Supp. 9-1101; effective, T-85-20, July 2, 1984; effective May 1, 1985; amended Aug. 9, 1996.)