

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
Washington, D.C. 20551

INTERNATIONAL APPLICATIONS AND PRIOR NOTIFICATIONS  
UNDER SUBPART B OF REGULATION K

Legal Name of Applicant

Street

City

State / Province

Country

Hereby applies to the Board to:

\_\_\_\_\_ establish a branch, agency, or commercial lending company in the United States pursuant to section 211.24(a)(1) of Regulation K

\_\_\_\_\_ establish a representative office in the United States pursuant to section 211.24(a)(1) of Regulation K

or provides notice to:

\_\_\_\_\_ establish a branch, agency or commercial lending company in the United States pursuant to section 211.24(a)(2)(i)(A) of Regulation K

\_\_\_\_\_ establish a representative office in the United States pursuant to section 211.24(a)(2)(i)(B)(1) of Regulation K

\_\_\_\_\_ establish a representative office in the United States pursuant to section 211.24(a)(2)(i)(B)(2) of Regulation K

\_\_\_\_\_ establish a representative office in the United States pursuant to section 211.24(a)(2)(i)(B)(3) of Regulation K

Intended Location of Proposed Office

City

State

Name, title, address, and telephone number of person(s) to whom inquiries concerning this application may be directed:

Signature of Chief Executive Officer or Designee

Date of Application

Public reporting burden for this information collection is estimated to average 35 hours per response, including time to gather and maintain data in the required form and to review instructions and complete the information collection. The Federal Reserve may not conduct or sponsor, and an organization (or a person) is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

Comments regarding this burden estimate or any other aspect of this information collection, including suggestions for reducing the burden, may be sent to Secretary, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, and Office of Information and Regulatory Affairs, Office of Management and Budget, Washington, D.C. 20503.

An application is authorized by sections 7 and 10 of the International Banking Act (12 U.S.C. 3105 and 3107) and Regulation K (12 C.F.R. 211.24(a)).

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# Instructions for Preparation of FR K-2 International Applications and Prior Notifications Under Subpart B of Regulation K

## Who Must Complete and File This Form

Any foreign bank seeking to establish a branch, agency, commercial lending company,<sup>1</sup> or representative office in the United States. Under certain circumstances, a representative office may be established without filing a prior notification or application with the Federal Reserve.

The application form contains the following attachments:

Attachment A—Information Requested in Connection with Applications by Foreign Banks to Establish Branches, Agencies, or Commercial Lending Companies in the United States (section 211.24(a)(1) of Regulation K)

Attachment B—Information Requested in Connection with Applications by Foreign Banks to Establish Representative Offices in the United States (section 211.24(a)(1) of Regulation K)

Attachment C—Information Requested in Connection with Notifications by Foreign Banks to Establish Branches, Agencies, or Commercial Lending Companies in the United States (section 211.24(a)(2)(i)(A) of Regulation K)

Attachment D—Information Requested in Connection with Notifications by Foreign Banks to Establish Representative Offices in the United States (section 211.24(a)(2)(i)(B)(1)–(3) of Regulation K)

Attachment E—Commitments Required in Connection with Applications and Notifications by Foreign Banks to Establish Branches, Agencies, Commercial Lending Companies, or Representative Offices in the United States.

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1. A foreign banking organization seeking approval to establish a commercial lending company also must have or obtain authority under section 4(c)(8) of the Bank Holding Company Act and Regulation Y to engage in the nonbanking activities of the commercial lending company. An organization not already having such authority may incorporate a request for the authority into the filing made under FBSEA.

## Completion of the Form

Inquiries concerning the preparation and filing of this form should be directed to the appropriate Reserve Bank, as defined in section 211.21(c) of Regulation K. The required form is to be filed by submitting the information requested in the appropriate attachment to the appropriate Reserve Bank. Alternative formats, if used, must provide all requested information. The application/notification must be substantially complete and responsive to each item of information requested (including an indication that the answer is “not applicable” or “none” where such is the case) in order to be considered properly filed. The appropriate Reserve Bank, concurrently with Board staff, will review the submitted form to determine if it is substantially complete. As necessary to complete the record of the application/notification, a request for additional information will be sent to the contact person named in the form.

The Federal Reserve reserves the right to require the filing of additional statements and information. If any information initially furnished in the application/notification changes significantly during processing of the application/notification, such changes should be communicated promptly to the Federal Reserve. Name check information may be required; contact the appropriate Reserve Bank for further information.

Information already provided in applications filed with state or federal bank regulatory authorities or otherwise previously provided to the Federal Reserve may be used to meet the information requirements of the FR K-2.

## Financial Holding Companies

If Applicant seeks to become a financial holding company in connection with the establishment of the office, it should submit the necessary written declaration as part of the FR K-2 filing. The declaration must conform

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# General Instructions

to Regulation Y (sections 225.81 and 225.82, or sections 225.90, 225.91, and 225.92, as appropriate). Applicant should contact the appropriate Reserve Bank for further information.

## Access to Information and Consents to Jurisdiction Commitments

Applicant and its ultimate parent (as defined in 12 C.F.R. 211.21(u)), if any, should provide (jointly and separately) the commitments contained in Attachment E through an officer that is authorized to bind the entity making the commitment. The commitments should be provided in the exact form provided (including all footnote references).

## Tiered Applicant Organizations

In tiered organizations that consist of more than one foreign bank, each parent foreign bank of the applicant foreign bank must respond individually to the items related to internal controls, financial information, home country supervision, and anti-money laundering and other related measures.

## Financial Information

The financial statements should be stated in the local currency of the country in which the head office of Applicant is located. The financial statements may also be stated in U.S. dollars, but conversion to U.S. dollars is not required. The statements should be prepared in accordance with local accounting practices; however, an explanation of the accounting terminology and the major features of the accounting standards used in the preparation of the financial statements must be provided. This explanation should include a discussion of the following practices and any other material practices as determined by Applicant:

- The accounting principles used for consolidation of investments on a line-by-line basis in the preparation of financial statements. Comments should address the criteria by which majority-owned companies are consolidated on a line-by-line basis, and the basis for carrying value and manner of income recognition of any majority-owned subsidiaries that are not consolidated on a line-by-line basis. The method of valuation

of investments in which the Applicant holds an ownership interest of between 20 and 50 percent (*i.e.*, historical cost, net asset value (book value), market value, or appraised value) and the manner of the recognition of income should be included. (Separate financial statements may be required for any majority-owned subsidiary and any 20-to-50 percent owned company controlled by the Applicant that is not consolidated on a line-by-line basis, but only if the assets of that subsidiary or company equal more than 5 percent of the Applicant's consolidated assets).

- The accounting practices used in the valuation, e.g., historical cost, net asset value (book value), market value, or appraised value, of short term investments, long term investments, and fixed assets. Comments should disclose the manner of recognition of increases and/or decreases in the value of the assets.
- The recording of guarantees, letters of credit, contingencies, leases, pension obligations, and other similar accounts on the books of the Applicant and any parent foreign bank. Comments should indicate whether such accounts are carried as assets and/or liabilities on the Applicant's financial statements, are disclosed as footnotes to the financial statements, or are undisclosed.
- The method used in translating foreign currency transactions and foreign currency financial statements with respect to current assets, long term investments, fixed assets, long term debt, and forward exchange contracts. Comments should include the method of recognition of any gains or losses resulting from such translation and the effect of the translation upon the recognition of revenue and expense and the determination of net income.
- The method by which interest revenue and interest expense are recorded on the books of the Applicant.

## Home Country Supervision

In order to approve an application by a foreign bank to establish a branch, agency, or commercial lending company in the United States, the Federal Reserve ordinarily seeks to determine that the Applicant and any parent foreign bank are subject to comprehensive supervision or regulation on a consolidated basis by the appropriate authorities in the home country of each bank. The Federal Reserve considers this standard met if the foreign

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## General Instructions

bank's home country supervisor receives sufficient information on the foreign bank's worldwide operations (including the bank's relationships to any affiliates) to assess the foreign bank's overall financial condition and compliance with law and regulation. In making such a determination, the Federal Reserve assesses, among other factors, the extent to which the home country supervisor:

- ensures that the foreign bank has adequate procedures for monitoring and controlling its activities worldwide;
- obtains information on the condition of the foreign bank and its subsidiaries and offices outside the home country through regular reports of examination, audit reports, or otherwise;
- obtains information on the dealings and relationship between the foreign bank and its affiliates, both foreign and domestic;
- receives from the foreign bank financial reports that are consolidated on a worldwide basis, or comparable information that permits analysis of the foreign bank's financial condition on a worldwide, consolidated basis; and
- evaluates prudential standards, such as capital adequacy and risk asset exposure, on a worldwide basis.

Under the Economic Growth and Regulatory Paperwork Reduction Act of 1996, which was enacted on September 30, 1996, the Federal Reserve may approve an application to establish a branch or agency subject to certain conditions even if the Federal Reserve is unable to find that the foreign bank is subject to comprehensive consolidated supervision. Specifically, the Federal Reserve may approve an application by such foreign bank if: (i) the appropriate authorities in the home country of such foreign bank are working to establish arrangements for the consolidated supervision of such bank; and (ii) all other factors are consistent with approval. In deciding whether to use its discretion with respect to a determination concerning comprehensive consolidated supervision, the Federal Reserve also considers the extent to which the foreign bank has adopted and implemented procedures to combat money laundering. The Federal Reserve also takes into account the extent to which the home country of the foreign bank has developed a legal regime to address money laundering or is participating in multilateral efforts to combat money laundering.

In evaluating an application to establish a representative office, the Federal Reserve takes into account the standards that apply to the establishment of branches and agencies, but a finding of comprehensive consolidated supervision is not required. With respect to supervision by home country authorities, a foreign bank that proposes to establish a representative office must be subject to a supervisory framework that is consistent with the activities of the proposed representative office, taking into account the nature of such activities and the operating record of the applicant. Among the factors the Federal Reserve may consider are the extent to which there is:

- regular review of a substantial portion of the bank's operations by the home country supervisor through examination, review of external audits, or a comparable method;
- submission of periodic reports relating to financial performance; and
- assurance that the bank itself has a system of internal monitoring and control that enable bank management to administer properly the bank's operations.

### Publication Requirement

The Applicant/Notificant is required to publish notice of its proposal in a newspaper of general circulation in the community in which the office is proposed to be located. A copy of the standard form of notice prescribed by the Board is set forth below. Proof of publication of the notice should be submitted when available.

### Newspaper Notice

Notification is hereby given by [NAME OF APPLICANT/NOTIFICANT, CITY, COUNTRY] that an [APPLICATION/NOTIFICATION] has been filed with the Federal Reserve Board to establish a [BRANCH, AGENCY, COMMERCIAL LENDING COMPANY, REPRESENTATIVE OFFICE] at [ADDRESS], pursuant to the International Banking Act of 1978.

Interested parties may submit written comments on the filing to [NAME AND TITLE OF APPROPRIATE OFFICER], Federal Reserve Bank of [CITY,

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## General Instructions

ADDRESS]. The thirty-day comment period will not end before [DATE]. If you need more information about how to submit your comments, contact [NAME AND TITLE OF APPROPRIATE OFFICER], Federal Reserve Bank of [CITY], at [AREA CODE AND TELEPHONE NUMBER].

### **Confidentiality**

Under the provisions of the Freedom of Information Act, the application is a public document and available to the public upon request. If Applicant/Notificant is of the opinion that disclosure of commercial or financial information would likely result in substantial harm to its competitive position or that of its subsidiaries, or that disclosure of information of a personal nature would result in a clearly unwarranted invasion of personal privacy, confidential treatment of such information may be requested. This request for confidential treatment must be submitted in writing concurrently with the submission of the application, and must discuss in detail the justification for confidential treatment. Such justification must be provided for each response for which confidential treatment in the public portion of the application is requested.

The reasons for requesting confidentiality should demonstrate specifically the harm that would result from public release of the information. A statement simply indicating that the information would result in competitive harm or that it is personal in nature is not sufficient. A claim that disclosure would violate the law or policy of a foreign country is not, in and of itself, sufficient to exempt information from disclosure. It must be demonstrated that disclosure would meet either the “substantial competitive harm” or “unwarranted invasion of personal privacy” tests.

Information for which confidential treatment is requested should be: (1) specifically identified in the public portion of the application (by reference to the confidential section); (2) separately bound; and (3) labeled “Confidential.”

Applicant/Notificant should follow this same procedure on confidentiality with regard to filing any supplemental information to the application.

The Board will determine whether information submitted as confidential will be so regarded, and will advise Applicant/Notificant of any decision to make available to the public information labeled “Confidential.” However, it shall be understood that, without prior notice to Applicant/Notificant, the Board may disclose or comment on any of the contents of the application in the Order or Statement issued by the Board in connection with its decision on the filing. The Board’s staff normally will apprise Applicant/Notificant in the course of the applications process that such information may need to be disclosed in connection with the Board’s action on the filing.

### **Supporting Information**

The formal questions in the application are not intended to limit Applicant’s presentation. Applicant bears the full burden of presenting and documenting a case to meet the statutory criteria for approval. Supporting information for any or all factors, setting forth the basis for Applicant’s judgement may accompany the application.

### **Compliance**

The Board expects Applicant/Notificant to comply with all representations and commitments made in its application. Applicant/Notificant should immediately contact the Federal Reserve if there is any material change in the information presented prior to the establishment of the office.

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# Attachment A

## Information Requested in Connection With Applications by Foreign Banks to Establish Branches, Agencies, and Commercial Lending Companies in the United States (section 211.24(a)(1) of Regulation K)

### I. Operations, Structure, and Ownership of Applicant

1. Discuss whether Applicant engages directly in the business of banking outside the United States. In this regard, Applicant should address whether it engages directly in banking activities usual in connection with the business of banking in the countries in which it is organized or operates.
2. Provide a copy of Applicant's most recent annual report to shareholders and a brief history of Applicant, including ranking by asset size in the home country.
3. Provide a brief summary of Applicant's experience in international banking. The discussion should include a general description of the volume and character of the Applicant's current international business and the location, number, and asset size of direct offices overseas.
4. Provide an organization chart for Applicant and its ultimate parent,<sup>2</sup> if any, showing all subsidiaries of Applicant and its ultimate parent. Include the place of incorporation for all subsidiaries.
5. Provide the name, asset size, general activities, and ownership share held by Applicant for each of Applicant's direct and indirect subsidiaries that comprise 1 percent or more of Applicant's worldwide consolidated assets.
6. List all persons (natural as well as legal) in the upstream chain of ownership of the Applicant who,

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2. The "ultimate parent" of a foreign bank is the parent of the foreign bank that is not the subsidiary of any other company. A "parent" of a foreign bank is any company of which the foreign bank is a subsidiary. A "subsidiary" of a foreign bank is defined as any organization 25 percent or more of whose voting shares are directly or indirectly owned, controlled, or held with the power to vote by a company or any organization that is otherwise controlled or capable of being controlled by a foreign bank or foreign banking organization.

directly or indirectly, own 5 percent or more of the voting shares of the Applicant and its ultimate parent, if any. Provide information concerning any voting agreements or other mechanisms that exist among shareholders for the exercise of control over the Applicant or its ultimate parent.

7. Provide the following information on the two individuals with the most senior decision-making authority for Applicant and any foreign bank parent, and for the manager of the proposed U.S. office:
  - a. titles or positions with Applicant and/or parent bank; and
  - b. the biographical information requested in the Interagency Biographical and Financial Report FR 2081c (the Financial Report need not be provided). This information may be submitted in advance of the application.
8. Describe the methods used by Applicant to monitor and control its operations, including those of its domestic and foreign subsidiaries and offices (e.g., through internal reports and internal audits). Note the scope and frequency of those methods and whether the methods are subject to review by external auditors and/or the home country supervisor. Also, state whether internal audit results are shared with the home country supervisor and/or Applicant's external auditors.
9. If Applicant, its ultimate parent, or any company (banking or nonbanking) in which it has direct or indirect ownership or control of more than 5 percent of the voting shares will engage directly or indirectly at the time of consummation of this proposal in any nonbanking activities in the United States, provide the following:

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# Attachment A

- a. the name, location, and a detailed description of the activities of each such company;
- b. the specific section and paragraph of the Bank Holding Company Act (the "BHCA"), Regulation Y, or Regulation K that the Applicant believes provides authority for the acquisition or retention of each U.S. nonbanking activity and a description demonstrating that each activity will be conducted consistent with the Board's regulations and related interpretations. If the Applicant has relied on the nonbanking exemptions afforded by sections 2(h) and 4(c)(9) of the BHCA (as implemented by section 211.23 of Regulation K) for certain activities, provide the necessary information to support such a determination.

To the extent the information requested in this item has been provided to the Federal Reserve in other report forms (e.g., FR Y-7, FR Y-10F) filed with the Federal Reserve, Applicant may include such information by reference to those filings.

10. State whether the foreign bank Applicant and its ultimate parent, if any, upon establishment of the proposed branch, agency, or commercial lending company, each would be a qualifying foreign banking organization as defined in section 211.23(a) of Regulation K and provide the necessary information to support such a determination. If a foreign bank Applicant meets the requirements of section 211.23(a) but its ultimate parent does not, indicate whether the ultimate parent would satisfy the requirements set forth in section 211.23(c) of Regulation K, and provide the necessary information to support that determination. To the extent the information requested in this item has been provided in other report forms (FR Y-7) filed with the Federal Reserve, Applicant may include such information by reference to those filings.

## II. The Proposed Office

11. Discuss the purpose(s) for establishing the proposed branch, agency, or commercial lending company. Describe the major types of business to be conducted and the major types of services to be offered, and note whether any existing business would be transferred to the proposed office. Applicant may

indicate any banking needs of the community that would be better served by establishment of the proposed office.

12. Provide estimated start-up costs and projected balance sheets and income statements for the proposed branch, agency, or commercial lending company for the first three years of operations. Include a summary of contingent liabilities for the proposed office for the first three years of operation, and estimate the number of employees planned for that period of time. Also include information on how the proposed office would be funded. State any assumptions made in formulating these projections.
13. Describe Applicant's intended procedures for exercising internal control over the proposed office. The response should identify reporting channels and reporting requirements (scope and frequency), and discuss the scope and frequency of internal audits. Applicant also should describe measures to be taken to ensure that the proposed office is not used for illicit purposes, including money laundering and terrorist financing.

## III. Financial Information

14. As described in the Filing Instructions to this form, provide the following financial information for Applicant and any parent foreign bank:
  - a. Parent-only and consolidated balance sheets, showing separately each principal group of assets, liabilities, and capital accounts as of the end of the most recent quarter and fiscal year-end. In addition, include information on contingent liabilities (*i.e.*, standby and commercial letters of credit, guaranties, commitments to grant or purchase loans and securities, contracts to purchase/sell foreign exchange).
  - b. Parent-only and consolidated income statements showing separately each principal source of revenue and expense, through the end of the most recent quarter and for the past two fiscal years.
  - c. If Applicant or any parent foreign bank is from a country subscribing to the Basel Accord, provide, on a consolidated basis, a breakdown of each organization's risk-weighted assets as of the end of the most recent fiscal quarter, showing each

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# Attachment A

principal group of on- and off-balance sheet assets and the relevant risk weights. Also, identify the components of tier 1 and tier 2 capital under the Basel risk-based capital guidelines, and provide calculations of the ratios of tier 1 and total capital to risk-weighted assets for Applicant and any parent foreign bank. Provide the amount, maturity, and a brief description of debt instruments and indicate which instruments qualify under the Basel risk-based capital guidelines as tier 2 capital for each organization.

If the home country capital standard of Applicant or any parent foreign bank differs from that established under the Basel Accord, provide information regarding the capital standard applied in the home country of Applicant or any parent foreign bank, as well as information sufficient to evaluate the capital position adjusted as appropriate for accounting and structural differences. Further, provide, to the extent possible, information comparable to the Basel format.

- d. Current information that will enable the Federal Reserve to make a judgment as to the quality of Applicant's assets. The information should be presented for Applicant's consolidated organization. If consolidated figures are not available, indicate what portion of Applicant's consolidated assets is not reflected in the response. The response should include, but need not be limited to, the following (Applicant should provide definitions of the terms):
  - i. Asset classifications or assessments made by foreign banking authorities;
  - ii. Delinquencies;
  - iii. Nonaccrual loans;
  - iv. Assets acquired in satisfaction of debts previously contracted;
  - v. Loans with reduced interest charges, and
- e. Total reserves available to cover credit-related losses for the end of the most recent quarter and fiscal year-end. The total amounts should be broken down into "specific," "general," and/or other relevant categories.

## IV. Home Country Supervision

15. Describe the bank regulatory system that exists in the home country of Applicant and, if different, the home country of any foreign bank in the ownership chain.<sup>3</sup> Your response should identify Applicant's primary home country supervisor and the major laws governing Applicant's operations and activities. Your description also should include a discussion of each of the following:
  - a. *The scope and frequency of on-site examinations by the home country supervisor.* Describe the scope and frequency of on-site examinations, identifying the operational areas reviewed and the general procedures used by the home country supervisor to evaluate asset quality and internal controls. Also, discuss the manner in which the home country supervisor monitors the condition and operations of Applicant's subsidiaries and foreign offices.
  - b. *Off-site monitoring by the home country supervisor.* Discuss the general type and frequency of filing of regulatory and financial reports submitted by Applicant to the home country supervisor. Specify whether the reports contain information on the domestic and foreign subsidiaries of Applicant and, if so, whether this information is provided on a consolidated basis or for each entity separately.
  - c. *The role of external auditors.* Discuss the general frequency, nature, and scope of review of Applicant (including subsidiaries and foreign offices) performed by external auditors, particularly with respect to the review of asset quality and internal controls. Discuss whether the home country supervisor sets standards for such reviews and the manner (if at all) by which the external audit

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3. If the Federal Reserve has previously determined that another bank from Applicant's home country is subject to comprehensive consolidated supervision, Applicant may request a copy of the previous application from the Federal Reserve under the Freedom of Information Act. After reviewing the record in the previous application, Applicant may make a statement that it is subject to the same supervisory regime as the foreign bank previously considered by the Federal Reserve, rather than responding to each subpart of this question. In addition, Applicant should confirm that there have been no material changes in the manner in which Applicant is supervised and regulated by its home country supervisor(s) since that previous application or, if material changes have occurred, Applicant should describe such changes.



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# Attachment A

results are communicated to the home country supervisor. Include a brief discussion of the general standards or requirements that apply to the external auditors themselves.

- d. *Transactions with Affiliates.* Indicate whether (and, if so, discuss how) the home country supervisor regulates and monitors Applicant's transactions with its affiliates (e.g., through reporting requirements, lending limits, or other restrictions). Define the home country's definition of "affiliate" for this purpose (if different from the Federal Reserve's definition),<sup>4</sup> and specify whether any such restrictions apply to "upstream," "downstream," or "sister" affiliates.
  - e. *Other Applicable Prudential Requirements.* To the extent not previously addressed, describe any prudential limitations (e.g., with respect to capital adequacy, asset classification and provisioning, single or aggregate credit and foreign currency exposure limits, and liquidity) that are imposed on the operations of Applicant. Describe the methods used by the home country supervisor to monitor compliance with these limitations.
  - f. *Remedial Authority of the Home Country Supervisor.* Describe the general methods available to the home country supervisor to enforce Applicant's compliance with prudential controls and other supervisory or regulatory requirements.
  - g. *Prior approval requirements.* Indicate whether prior approval of the home country supervisor is needed for Applicant to make investments in other companies, or generally to establish overseas offices. Indicate the type of information the home country supervisor reviews in making its determination.
16. Indicate what other domestic regulatory authorities, if any, in addition to the primary home country supervisor, supervise subsidiaries or particular activities of Applicant. Briefly describe the financial and/or examination requirements, including the general scope and frequency of on-site examinations, if any, of each such regulatory authority. Also, discuss

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4. An "affiliate" of a foreign bank or of a parent of a foreign bank means any company that controls, or is controlled by, or is under common control with, the foreign bank or the parent of the foreign bank.

whether such regulatory authorities exchange information with the primary home country supervisor, including financial or other supervisory information.

## V. Anti-Money Laundering and Other Related Measures

17. Describe any home country laws or regulations that are designed to deter or prohibit money laundering, terrorist financing, or other illicit activities. Also, describe the requirements that Applicant's (and any parent foreign bank's) home country supervisor imposes on banks for the detection and prevention of money laundering, terrorist financing, and other illicit activities, and the reporting of suspicious transactions.
18. Discuss the actions taken by Applicant (and any parent foreign bank) to ensure that the bank and its offices and subsidiaries have implemented sufficient safeguards to prevent such operations from being used for purposes of money laundering, terrorist financing, or other illicit activities. The response should describe:
  - a. the policies and procedures implemented with respect to anti-money laundering policies and measures, including any customer due diligence, recordkeeping, and cash and/or suspicious transaction reporting requirements;
  - b. the steps taken to ensure compliance with these policies and procedures (including the nature and frequency of employee training and compliance monitoring by internal auditors); and
  - c. the extent to which these policies and procedures are subject to independent external audit and examination by the home country supervisor.

The response should indicate whether the financial institution-specific recommendations of the Financial Action Task Force ("FATF") have been implemented throughout the organization.<sup>5</sup> The response also should confirm (or modify as appropriate) that the anti-money laundering and counter-terrorist financing policies and procedures would be implemented at the proposed U.S. office.

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5. These recommendations can be obtained from the following web site: <http://www.oecd.org/fatf/index.htm>.

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# Attachment A

## VI. Miscellaneous

19. List all jurisdictions (in addition to the home country) in which Applicant has material operations.<sup>6</sup> For each such jurisdiction, describe any secrecy laws or other impediments that would restrict the ability of Applicant or its ultimate parent, if any, from providing information on the operations or activities of Applicant and any of its affiliates that the Board deems necessary to determine and enforce compliance with the International Banking Act, the BHCA, and other applicable federal laws. If any material impediments exist, discuss the manner in which Applicant and its ultimate parent, if any, propose to provide the Board with adequate assurances of access to information.

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6. Material operations exist in any jurisdiction in which the direct and indirect activities in that jurisdiction, in the aggregate, account for 5 percent or more of the consolidated, worldwide assets of the foreign bank or its ultimate parent.

20. Discuss the status of any other regulatory filings required to be made in connection with Applicant's proposal to establish an office, and indicate when action on such filings is expected.
21. Provide a statement from the home country supervisor of Applicant that Applicant is duly organized, licensed as a bank, and in good standing, and such supervisor consents to establishment of the proposed office.
22. Applicant and its ultimate parent, if any, should provide (jointly and separately) the commitments contained in Attachment E through an officer that is authorized to bind the entity making the commitment. The commitments should be provided in the exact form provided (including all footnote references).
23. Proof of newspaper publication should be provided when available.

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# Attachment B

## Information Requested in Connection with Applications by Foreign Banks to Establish Representative Offices in the United States (section 211.24(a)(1) of Regulation K)

### I. Operations, Structure, and Ownership of Applicant

1. Discuss whether Applicant engages directly in the business of banking outside the United States. In this regard, Applicant should address whether it engages directly in banking activities usual in connection with the business of banking in the countries in which it is organized or operates.
2. Provide a copy of Applicant's most recent annual report to shareholders and a brief history of Applicant, including ranking by asset size in the home country.
3. Provide a brief summary of Applicant's experience in international banking. The discussion should include a general description of the volume and character of the Applicant's current international business and the location, number, and asset size of direct offices overseas.
4. Provide an organization chart for Applicant and its ultimate parent,<sup>7</sup> if any, showing all subsidiaries of Applicant and its ultimate parent. Include the place of incorporation for all subsidiaries.
5. Provide the name, asset size, general activities, and ownership share held by Applicant for each of Applicant's direct and indirect subsidiaries that comprise 1 percent or more of Applicant's worldwide consolidated assets.
6. List all persons (natural as well as legal) in the

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7. The "ultimate parent" of a foreign bank is the parent of the foreign bank that is not the subsidiary of any other company. A "parent"; of a foreign bank is any company of which the foreign bank is a subsidiary. A "subsidiary" of a foreign bank is defined as any organization 25 percent or more of whose voting shares are directly or indirectly owned, controlled, or held with the power to vote by a company or any organization that is otherwise controlled or capable of being controlled by a foreign bank or foreign banking organization.

upstream chain of ownership of the Applicant who, directly or indirectly, own 5 percent or more of the voting shares of the Applicant and its ultimate parent, if any. Provide information concerning any voting agreements or other mechanisms that exist among shareholders for the exercise of control over the Applicant or its ultimate parent.

7. Provide the following information on the individual with the most senior decision-making authority for Applicant and any foreign bank parent, and for the manager of the proposed U.S. office:
  - a. titles or positions with Applicant and/or any foreign parent bank; and
  - b. the biographical information requested in the Interagency Biographical and Financial Report FR 2081c (the Financial Report need not be provided). This information may be submitted in advance of the application.
8. Describe the methods used by Applicant to monitor and control its operations, including those of its domestic and foreign subsidiaries and offices (e.g., through internal reports and internal audits). Note the scope and frequency of those methods and whether the methods are subject to review by external auditors and/or the home country supervisor. Also, state whether internal audit results are shared with the home country supervisor and/or Applicant's external auditors.

### II. The Proposed Office

9. Describe the types of activities to be conducted in the proposed representative office. Provide projected expense items for the proposed office for the first three years of operation.

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## Attachment B

10. Indicate the total number of individuals to be employed in the proposed representative office for each of the first three years of operation.
11. Describe Applicant's intended procedures for exercising internal control over the proposed representative office. The response should identify reporting channels and reporting requirements (scope and frequency), and discuss the scope and frequency of internal audits.

### III. Financial Information

12. As described in the Filing Instructions to this form, provide the following financial information for Applicant and any parent foreign bank:
  - a. Parent-only and consolidated balance sheets, showing separately each principal group of assets, liabilities, and capital accounts as of the end of the most recent quarter and fiscal year end. Include information on contingent liabilities, (*i.e.*, standby and commercial letters of credit, guarantees, commitments to grant or purchase loans and securities, contracts to purchase/sell foreign exchange).
  - b. Parent-only and consolidated income statements showing separately each principal source of revenue and expense, through the end of the most recent quarter and for the past two fiscal years.

Information on the compliance of Applicant and any foreign bank parent with home country capital standards and/or the Basel risk-based capital standards may be requested depending on the preliminary analysis of the capital position of Applicant and any foreign bank parent.

### IV. Home Country Supervision

13. Briefly describe the bank regulatory system that exists in the home country of Applicant and, if different, the home country of any foreign bank in the ownership chain.<sup>8</sup> Your response should identify

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8. If the Federal Reserve has previously determined that another bank from Applicant's home country is subject to comprehensive consolidated supervision, Applicant may request a copy of the previous application from the Federal Reserve under the Freedom of Information Act. After reviewing the record in the previous application, Applicant may make a statement that it is subject to the same supervisory regime as the foreign bank previously considered by the Federal Reserve, rather than responding

Applicant's primary home country supervisor and the major laws governing Applicant's operations and activities. Your description also should include a discussion of each of the following:

- a. *The scope and frequency of on-site examinations by the home country supervisor.* Describe the scope and frequency of on-site examinations, identifying the operational areas reviewed and the general procedures used by the home country supervisor to evaluate asset quality and internal controls. Also, discuss the manner in which the home country supervisor monitors the condition and operations of Applicant's subsidiaries and foreign offices.
- b. *Off-site monitoring by the home country supervisor.* Discuss the general type and frequency of filing of regulatory and financial reports submitted by Applicant to the home country supervisor. Specify whether the reports contain information on the domestic and foreign subsidiaries of Applicant and, if so, whether this information is provided on a consolidated basis or for each entity separately.
- c. *The role of external auditors.* Discuss the general frequency, nature, and scope of review of Applicant (including subsidiaries and foreign offices) performed by external auditors, particularly with respect to the review of asset quality and internal controls. Discuss whether the home country supervisor sets standards for such reviews and the manner (if at all) by which the external audit results are communicated to the home country supervisor. Include a brief discussion of the general standards or requirements that apply to the external auditors themselves.
- d. *Other Applicable Prudential Requirements.* To the extent not previously addressed, describe any prudential limitations (e.g., with respect to capital adequacy, asset classification and provisioning, single or aggregate credit and foreign currency exposure limits, and liquidity) that are imposed on the operations of Applicant. Describe the

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to each subpart of this question. In addition, Applicant should confirm that there have been no material changes in the manner in which Applicant is supervised and regulated by its home country supervisor(s) since that previous application or, if material changes have occurred, Applicant should describe such changes.

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## Attachment B

methods used by the home country supervisor to monitor compliance with these limitations.

### V. Anti-Money Laundering and Other Related Measures

14. Describe any home country laws or regulations that are designed to deter or prohibit money laundering, terrorist financing, or other illicit activities. Also, describe the requirements that Applicant's (and any parent foreign bank's) home country supervisor imposes on banks for the detection and prevention of money laundering, terrorist financing, and other illicit activities, and the reporting of suspicious transactions.
15. Discuss the actions taken by Applicant (and any parent foreign bank) to ensure that the bank and its offices and subsidiaries have implemented sufficient safeguards to prevent such operations from being used for purposes of money laundering, terrorist financing, or other illicit activities. The response should describe:
  - a. the policies and procedures implemented with respect to anti-money laundering policies and measures, including any customer due diligence, recordkeeping, and cash and/or suspicious transaction reporting requirements;
  - b. the steps taken to ensure compliance with these policies and procedures (including the nature and frequency of employee training and compliance monitoring by internal auditors); and
  - c. the extent to which these policies and procedures are subject to independent external audit and examination by the home country supervisor.

The response should indicate whether the financial institution-specific recommendations of the Financial Action Task Force ("FATF") have been implemented throughout the organization.<sup>9</sup> The response also should confirm (or modify as appropriate) that

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9. These recommendations can be obtained from the following web site: <http://www.oecd.org/fatf/index.htm>.

the anti-money laundering and counter-terrorist financing policies and procedures would be implemented at the proposed U.S. office.

### VI. Miscellaneous

16. List all jurisdictions (in addition to the home country) in which Applicant has material operations.<sup>10</sup> For each such jurisdiction, describe any secrecy laws or other impediments that would restrict the ability of Applicant or its ultimate parent, if any, from providing information on the operations or activities of Applicant and any of its affiliates that the Federal Reserve deems necessary to determine and enforce compliance with the International Banking Act, the BHCA, and other applicable federal laws. If any material impediments exist, discuss the manner in which Applicant and its ultimate parent, if any, propose to provide the Board with adequate assurances of access to information.
17. Discuss the status of any other regulatory filings required to be made in connection with Applicant's proposal to establish an office, and indicate when action on such filings is expected.
18. Provide a statement from the home country supervisor of Applicant that Applicant is duly organized, licensed as a bank, and in good standing, and such supervisor consents to establishment of the proposed office.
19. Applicant and its ultimate parent, if any, should provide (jointly and separately) the commitments contained in Attachment E through an officer that is authorized to bind the entity making the commitment. The commitments should be provided in the exact form provided (including all footnote references).
20. Proof of newspaper publication should be provided when available.

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10. Material operations exist in any jurisdiction in which the direct and indirect activities in that jurisdiction, in the aggregate, account for 5 percent or more of the consolidated, worldwide assets of the foreign bank or its ultimate parent.

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# Attachment C

## Information Requested in Connection with Notifications by Foreign Banks to Establish Branches, Agencies, and Commercial Lending Companies in the United States (section 211.24(a)(2)(i)(A) of Regulation K)

### I. Operations, Structure, and Ownership of Notificant

1. Provide current information on Notificant's ranking by asset size in the home country.
2. Provide current information regarding all persons (natural as well as legal) in the upstream chain of ownership of Notificant who, directly or indirectly, own 5 percent or more of the voting shares of Notificant and its ultimate parent, if any. Provide information concerning any voting agreements or other mechanisms that exist among shareholders for the exercise of control over Notificant or its ultimate parent.
3. Confirm (or modify as appropriate) that there have been no material changes in the methods used by Notificant to monitor and control its operations, including those of its domestic and foreign subsidiaries, since the Federal Reserve's most recent determination that Notificant is subject to comprehensive consolidated supervision.

### II. The Proposed Office

4. Discuss the purpose(s) for establishing the proposed branch, agency, or commercial lending company. Describe the major types of business to be conducted and the major types of services to be offered, and note whether any existing business would be transferred to the proposed office. Provide estimated start-up costs and projected balance sheets and income statements for the first three years of operations.
5. Provide the following information on the manager of the proposed U.S. office:
  - a. titles or positions with Applicant and/or parent bank; and

- b. the biographical information requested in the Interagency Biographical and Financial Report FR 2081c (the Financial Report need not be provided). This information may be submitted in advance of the application.
6. Confirm (or modify as appropriate) that Notificant would monitor and control the operations of the proposed office in the same manner as it monitors and controls its existing U.S. offices. In addition, confirm (or modify as appropriate) that Notificant would apply to the proposed office the same policies and procedures, including those pertaining to anti-money laundering, as are in effect at its existing U.S. offices.

### III. Financial Information

7. Provide the following financial information for Notificant and any parent foreign bank:
  - a. Parent-only and consolidated balance sheets, showing separately each principal group of assets, liabilities, and capital accounts as of the end of the most recent quarter and fiscal year. In addition, include information on contingent liabilities (*i.e.*, standby and commercial letters of credit, guaranties, commitments to grant or purchase loans and securities, contracts to purchase/sell foreign exchange).
  - b. Parent-only and consolidated income statements showing separately each principal source of revenue and expense, through the end of the most recent quarter and for the past two fiscal years.
  - c. If Notificant or any parent foreign bank is from a country subscribing to the Basel Accord, provide, on a consolidated basis, a breakdown of each organization's risk-weighted assets as of the end

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# Attachment C

of the most recent fiscal quarter, showing each principal group of on- and off-balance sheet assets and the relevant risk weights. Also, identify the components of tier 1 and tier 2 capital under the Basel risk-based capital guidelines, and provide calculations of the ratios of tier 1 and total capital to risk-weighted assets for Notificant and any parent foreign bank. Provide the amount, maturity, and a brief description of debt instruments and indicate which instruments qualify under the Basel risk-based capital guidelines as tier 2 capital for each organization.

If the home country capital standard of Notificant or any parent foreign bank differs from that established under the Basel Accord, provide information regarding the capital standard applied in the home country of Notificant or any parent foreign bank, as well as information sufficient to evaluate the capital position adjusted as appropriate for accounting and structural differences. Further, provide, to the extent possible, information comparable to the Basel format.

- d. Current information that will enable the Federal Reserve to make a judgment as to the quality of Notificant's assets. The information should be presented for Notificant's consolidated organization. If consolidated figures are not available, indicate what portion of Notificant's consolidated assets is not reflected in the response. The response should include, but need not be limited to, the following (Notificant should provide definitions of the terms):
- i. Asset classifications or assessments made by foreign banking authorities;
  - ii. Delinquencies;
  - iii. Nonaccrual loans;
  - iv. Assets acquired in satisfaction of debts previously contracted;
  - v. Loans with reduced interest charges, and
- e. Total reserves available to cover credit-related losses for the end of the most recent quarter and fiscal year. The total amounts should be broken down into "specific," "general," and/or other relevant categories.

## IV. Home Country Supervision

8. Provide the date of the Federal Reserve's most recent determination that Notificant is subject to comprehensive consolidated supervision. Confirm (or modify as appropriate) that there have been no material changes in the manner in which Notificant is supervised and regulated by its home country supervisor(s) since that time.

## V. Anti-Money Laundering and Other Related Measures

9. Indicate whether there have been any material changes in either the anti-money laundering or counter-terrorist financing laws and regulations of the home country of Notificant or in Notificant's anti-money laundering or counter-terrorist financing policies and procedures, since the Federal Reserve's most recent review of such matters.

## VII. Miscellaneous

10. Indicate whether there have been any changes to the list of jurisdictions in which Notificant has material operations since such information was previously provided to the Federal Reserve.<sup>11</sup> For any additional such jurisdiction, describe any secrecy laws or other impediments that would restrict the ability of Notificant or its ultimate parent, if any, to provide information on the operations or activities of Notificant and any of its affiliates that the Federal Reserve deems necessary to determine and enforce compliance with the International Banking Act, the BHCA, and other applicable federal laws. If such impediments exist, discuss the manner in which Notificant and its ultimate parent, if any, proposed to provide the Federal Reserve with adequate assurance of access to such information.
11. Discuss the status of any other regulatory filings required to be made in connection with Notificant's proposal to establish an office, and indicate when action on such filings is expected.
12. Provide a statement from the home country supervisor of the Notificant that the foreign bank is duly

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11. Material operations exist in any jurisdiction in which the direct and indirect activities in that jurisdiction, in the aggregate, account for 5 percent or more of the consolidated, worldwide assets of the foreign bank or its ultimate parent.

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## Attachment C

organized, licensed as a bank, and in good standing, and such supervisor consents to establishment of the proposed office.

13. Proof of newspaper publication should be provided when available.



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# Attachment D

## Information Requested in Connection with Notifications by Foreign Banks to Establish Representative Offices in the United States (section 211.24(a)(2)(i)(B)(1)–(3) of Regulation K)

### I. Operations, Structure, and Ownership of Notificant

1. Provide a copy of Notificant's most recent annual report to shareholders and current information on Notificant's ranking by asset size in the home country.
2. Provide information on the volume and character of the Notificant's current international business and the location, number, and asset size of direct offices overseas.
3. Provide a current organization chart for the Notificant and its ultimate parent, if any, showing all subsidiaries of the Notificant and its ultimate parent.<sup>12</sup> Include the place of incorporation for all subsidiaries.
4. List all persons (natural as well as legal) in the upstream chain of ownership of the Notificant who, directly or indirectly, own 5 percent or more of the voting shares of the Notificant and its ultimate parent, if any. Provide information concerning any voting agreements or other mechanisms that exist among shareholders for the exercise of control over the Notificant or its ultimate parent.
5. If the Federal Reserve has not previously approved an application from Notificant to establish an office in the United States, provide the information requested in Item 8 of Attachment B to the FR K-2. If the Federal Reserve previously has approved an application by Notificant to establish a U.S. office,

confirm (or modify as appropriate) that there have been no material changes in the methods used by Notificant to monitor and control its operations, including those of its domestic and foreign subsidiaries, since that time.

6. If not previously provided to the Federal Reserve, provide the following information on the individual with the most senior decision-making authority for Notificant and for the manager of the proposed U.S. office:
  - a. titles or positions with Notificant; and
  - b. the biographical information requested in the Interagency Biographical and Financial Report FR 2081c (the Financial Report need not be provided). This information may be submitted in advance of the application.

### II. The Proposed Office

7. Describe the types of activities to be conducted in the proposed representative office. Provide projected expense items for the proposed office for the first three years of operation.
8. Indicate the total number of individuals to be employed in the proposed representative office for each of the first three years of operation.
9. Confirm (or modify as appropriate) that Notificant would monitor and control the operations of the proposed office in the same manner as it monitors and controls its existing U.S. offices. In addition, confirm (or modify as appropriate) that Notificant would apply to the proposed office the same policies and procedures, including those pertaining to anti-money laundering, as are in effect at its existing U.S. offices.

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12. The "ultimate parent" of a foreign bank is the parent of the foreign bank that is not the subsidiary of any other company. A "parent" of a foreign bank is any company of which the foreign bank is a subsidiary. A "subsidiary" of a foreign bank is defined as any organization 25 percent or more of whose voting shares are directly or indirectly owned, controlled, or held with the power to vote by a company or any organization that is otherwise controlled or capable of being controlled by a foreign bank or foreign banking organization.

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# Attachment D

## III. Financial Information

10. Provide the following financial information for Notificant and any foreign bank parent:
  - a. Parent-only and consolidated balance sheets, showing separately each principal group of assets, liabilities, and capital accounts as of the end of the most recent fiscal year and most recent quarter.
  - b. Parent-only and consolidated income statements showing separately each principal source of revenue and expense, through the end of the most recent quarter and for the past two fiscal years.

Information on Notificant's compliance with home country capital standards and/or the Basel risk-based capital standards may be requested depending on the preliminary analysis of the capital position of Notificant and any foreign bank parent.

## IV. Home Country Supervision

11. If the Federal Reserve has not previously approved an application from Notificant to establish an office in the United States, provide the information requested in Item 13 of Attachment B to the FR K-2. If the Federal Reserve has previously approved an application from Notificant to establish a U.S. office, provide the date of such approval and confirm (or modify as appropriate) that there have been no material changes in the manner in which Notificant is supervised and regulated by its home country supervisors since the time of the Federal Reserve's approval.

## V. Anti-Money Laundering and Other Related Measures

12. If the Federal Reserve has not previously approved an application by Notificant or any other bank from Notificant's home country to establish a U.S. branch, agency, or representative office, provide the information requested in Item 14 of Attachment B to the FR K-2. If the Federal Reserve has not previously approved an application by Notificant to establish a U.S. branch, agency, or representative office, provide the information requested in Item 15 of Attachment B to the FR K-2. If the Federal Reserve has previously approved an application by Notificant to

establish a U.S. office, indicate whether there have been any material changes in either the anti-money laundering or counter-terrorist financing laws and regulations of the home country of Notificant or in Notificant's anti-money laundering or counter-terrorist financing policies and procedures, since such information was last considered by the Federal Reserve.

## VI. Miscellaneous

13. List all jurisdictions (in addition to the home country) in which Notificant has material operations.<sup>13</sup> (If Notificant previously has submitted this information to the Federal Reserve, Notificant may indicate whether there have been any changes since that time to the applicable list of jurisdictions). For any such jurisdictions (or, if appropriate, additional such jurisdictions), describe any secrecy laws or other impediments that would restrict the ability of Notificant or its ultimate parent, if any, to provide information on the operations or activities of Notificant and any of its affiliates that the Federal Reserve deems necessary to determine and enforce compliance with the International Banking Act, the BHCA, and other applicable federal laws. If such impediments exist, discuss the manner in which Notificant and its ultimate parent, if any, propose to provide the Federal Reserve with adequate assurance of access to such information.
14. Discuss the status of any other regulatory filings required to be made in connection with Notificant's proposal to establish a representative office, and indicate when action on such filings is expected.
15. Provide a statement from the home country supervisor of Notificant that the foreign bank is duly organized, licensed as a bank, and in good standing, and such supervisor consents to establishment of the proposed representative office.
16. If not previously provided to the Federal Reserve, Notificant and its ultimate parent, if any, should provide (jointly and separately) the commitments contained in Attachment E through an officer that

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13. Material operations exist in any jurisdiction in which the direct and indirect activities in that jurisdiction, in the aggregate, account for 5 percent or more of the consolidated, worldwide assets of the foreign bank or its ultimate parent.

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## Attachment D

is authorized to bind the entity making the commitment. The commitments should be provided in the exact form provided (including all footnote references).

17. Proof of newspaper publication should be provided when available.

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# Attachment E

## Commitments Required in Connection with Applications and Notifications by Foreign Banks to Establish Branches, Agencies, Commercial Lending Companies, or Representative Offices in the United States

The Applicant and its ultimate parent, if any, should provide (jointly or separately) the following commitments (including all footnotes and in the form provided below) through an officer that is authorized to bind the entity making the commitment.

1. *Assurances Commitment.* Each of [name of applicant] (“Bank”), a bank organized under the laws of [home country], and [name of ultimate parent] (“Parent”), a [company/bank] organized under the laws of [home country], will make available to the Board of Governors of the Federal Reserve System (“Board”) such information on the operations of Bank and any affiliate<sup>14</sup> of Bank that the Board deems necessary to determine and enforce compliance with the Bank Holding Company Act, the International Banking Act, and other applicable federal law, provided that if the disclosure of such information is prohibited by law or otherwise, Bank and Parent will cooperate with the Board including, without limitation, by seeking to obtain timely waivers of or exemptions from any applicable confidentiality or secrecy restrictions or requirements in order to enable Bank or Parent to make any such information available to the Board.

Bank and Parent agree that this commitment is deemed to be a condition imposed in writing in connection with the Board’s findings and decision on (*insert information describing the application*) and, as such, may be enforced in proceedings under applicable law.

2. *Consent To Jurisdiction.* Each of [name of applicant] (“Bank”), a bank organized under the laws of [home country], and [name of ultimate parent] (“Parent”), a [company/bank] organized under the laws of [home country], consents to the jurisdiction of the federal

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14. An “affiliate” of a foreign bank or a parent of a foreign bank is any company that controls, is controlled by, or is under common control with, the foreign bank or the parent of the foreign bank. See 12 C.F.R. § 211.21.

courts of the United States and of all United States governmental agencies, departments and divisions for purposes of any and all claims made by, proceedings initiated by, or obligations to, the United States, the Board of Governors of the Federal Reserve System (“Board”), and any other United States governmental agency, department or division, in any matter arising under U.S. Banking Law.<sup>15</sup>

Each of Bank and Parent designates [name and address] as its registered agent to receive service of process on Bank or Parent in connection with such

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15. For purposes of this commitment, “U.S. Banking Law” means:

1. all federal and state statutes, rules, and regulations that the Board, the Office of the Comptroller of the Currency (the “OCC”), the Federal Deposit Insurance Corporation (the “FDIC”), or any other federal banking agency or department (individually, a “Federal Banking Authority” and collectively, the “Federal Banking Authorities”) administers or for which such Federal Banking Authority has rulemaking or enforcement authority, including without limitation, all provisions of Title 12, United States Code, as from time to time may be applicable to [Bank], its subsidiaries and affiliates, and any institution-affiliated party (as defined in section 3(u) of the Federal Deposit Insurance Act (an “IAP”)) of each thereof;
2. all federal criminal laws of which violation(s) arise(s):
  - a. from the applicability of any provision of a U.S. Banking Law, or
  - b. under Section 1001 of Title 18 of the United States Code as it relates to information, statements, omissions, writings, or reports to a Federal Banking Authority, or
  - c. under Sections 1004 through 1007 of Title 18 of the United States Code, or any other provisions of Title 18 of the United States Code applicable to the ownership, control, operations or activities of a bank, bank holding company, or subsidiary thereof, to the operations or activities of a foreign bank or a branch or agency of a foreign bank, or to the activities of any IAP with respect to such bank, bank holding company, or subsidiary, or branch or agency, or
  - d. the Bank Secrecy Act, or the Currency and Foreign Transactions Reporting Act; and,
3. any order issued or written agreement entered into by any Federal Banking Authority or an administrative law judge acting under authority delegated by any Federal Banking Authority or federal court of competent jurisdiction pursuant to a U.S. Banking Law against or with one or more of [Bank or Parent], any subsidiary or affiliate, any IAP, or any branch or agency.

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## Attachment E

action. Bank and Parent agree to maintain a registered agent in the United States and to notify the Board of any change in the designated registered agent.

Bank and Parent agree that this commitment is deemed to be a condition imposed in writing in con-

nection with the Board's findings and decision on *(insert information describing the application)* and, as such, may be enforced in proceedings under applicable law.