PRESS RELEASE
Federal Deposit Insurance Corporation

Media Contact:
Robert M. Garsson (202) 898-6993

February 25, 1997

FDIC STREAMLINES RECORDKEEPING AND CONFIRMATION REQUIREMENTS

FOR IMMEDIATE RELEASE

Acting to ease burdensome regulations, the FDIC today approved a rule that clarifies securities recordkeeping and confirmation requirements for state-chartered non-member banks. The revised rule, which takes effect April 1, 1997, reorganizes and clarifies Part 344 of the FDIC's rules and regulations, incorporates significant interpretations and updates various provisions to reflect market developments.

The Board action was another step in the FDIC's efforts to streamline and update its regulations and written policies.

The rule exempts from the reporting and recordkeeping requirements of Part 344 securities transactions executed through registered broker/dealers under circumstances where the bank customer has a written account agreement with the broker-dealer and the broker-dealer arrangement is fully disclosed to the bank customer. This amendment eliminates duplicate reporting requirements imposed upon banks that enter into common networking arrangements with broker-dealers.

The FDIC decided against including a proposed addition to Part 344 which would have required some directors to report certain of their personal securities transactions. Comments received on this aspect of the proposal indicated uncertainty as to the scope and application of the proposed rule. The proposal was dropped in an effort to maintain uniformity with other regulators and to avoid imposing unnecessary additional burdens on banks. Instead, the FDIC will study further the issue of employee, officer, and director disclosures in consultation with the other federal banking regulators.

Last Updated 07/14/1999