



PRESS RELEASE

Federal Deposit Insurance Corporation

January 3, 1995

NASD AND FEDERAL FINANCIAL INSTITUTION REGULATORS SIGN AGREEMENT ON COORDINATING EXAMINATIONS

FOR IMMEDIATE RELEASE

The National Association of Securities Dealers (NASD) and the four federal financial institution regulators have signed an agreement in principle to coordinate their examinations of registered broker dealers selling mutual funds and other nondeposit investment products on the premises of depository institutions. The four federal regulators are the Federal Reserve Board, the Federal Deposit Insurance Corporation (FDIC), the Office of the Comptroller of the Currency (OCC), and the Office of Thrift Supervision (OTS).

The NASD and the agencies share a common interest in the supervision of broker dealers affiliated with depository institutions, the agreement said. "To ensure that this common interest is addressed with a minimum of duplication of efforts...and to promote regulatory consistency and reduce unnecessary burdens, the banking agencies and the NASD agree in principle to cooperate...to facilitate the coordination, and enhance the effectiveness, of examination efforts by the banking agencies and the NASD."

To that end, the signatories agreed to take the following steps:

The NASD and the banking agencies will share examination schedules for depository institutions that have affiliated broker dealers. Either the NASD or the banking agency may request that an observer be present during an examination.

The NASD will provide banking agencies with access to NASD examination findings and workpapers for the most recent examination of an affiliated broker dealer.

The banking agencies will refer apparent violations of securities laws by affiliated broker dealers to the NASD.



Congress created the Federal Deposit Insurance Corporation in 1933 to restore public confidence in the nation's banking system. It promotes the safety and soundness of these institutions by identifying, monitoring and addressing risks to which they are exposed. The FDIC receives no federal tax dollars — insured financial institutions fund its operations.

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The NASD will refer apparent violations of banking laws, regulations and guidelines by affiliated broker dealers to the appropriate banking agency.

The banking agencies and the NASD agreed to communicate with each other about activities of non-affiliated broker dealers selling non-deposit investment products on bank premises.

The banking agencies and the NASD agreed to communicate with each other about issues of common interest, such as regulatory and policy initiatives and educational efforts.

The banking agencies and the NASD agreed to maintain the confidentiality of information exchanged between them.

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