



PRESS RELEASE

Federal Deposit Insurance Corporation

March 21, 1995

FDIC BOARD WAIVES CERTAIN BURDENSOME REQUIREMENTS RELATING TO CONFIRMATION OF BANK CUSTOMER SECURITIES TRANSACTIONS

FOR IMMEDIATE RELEASE

The FDIC Board of Directors said today it is waiving under certain circumstances its requirement that state nonmember banks carrying out securities transactions for customers disclose on the confirmation statement or separately the portion of the fee charged to customers represented by the amount of the bank's commission. The waiver is effective immediately.

The Board took this action in order to eliminate a disparity in the rules for state nonmember banks in relation to state member and national banks, which are not required to provide the disclosures.

Banks that sell securities through third parties typically receive a portion of the load, or commission, but the amount may vary depending on the monthly volume and type of sales that are made. Many banks are unable to determine either in advance or immediately after a trade the precise amount of their share of the fee and, therefore, are unable to disclose this information to the customer when the transaction is confirmed.

Even though the commission notice has been waived, bank customers will continue to receive information about their transactions under existing securities industry standards, including disclosure of the total fees paid in connection with securities transactions.

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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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