



Securities Disclosure Requirements

FIL-41-2004
April 15, 2004

TO: CHIEF EXECUTIVE OFFICER
(also of interest to Directors, Executive Officers, and Principal Shareholders)

SUBJECT: Mandatory Electronic Filing of Beneficial Ownership Reports by Insiders of FDIC-Supervised Registered Banks

Summary: *The FDIC has issued an interim final rule amending Part 335 of its regulations to require electronic filing of beneficial ownership reports by directors, executive officers, and principal shareholders of banks with equity securities registered with the FDIC under the federal securities laws. This rule, which takes effect June 11, 2004, implements certain requirements of the Sarbanes-Oxley Act of 2002.*

The Federal Deposit Insurance Corporation (FDIC) has adopted the attached interim final rule amending its securities disclosure regulations, which apply to FDIC-supervised banks subject to the federal securities laws (registered banks). This amendment to Part 335 of the FDIC's regulations implements the requirements of the Securities Exchange Act of 1934 (Exchange Act), as amended by the Sarbanes-Oxley Act of 2002, which mandate electronic filing of reports disclosing the beneficial ownership of securities by directors, executive officers, and principal shareholders (insiders) of registered banks.

Under Part 335, as amended, bank insiders will be required to electronically transmit beneficial ownership reports to disclose their transactions in and ownership of securities of the bank. These electronic filings must be made through the interagency Beneficial Ownership Filings system, which is accessible on the Internet utilizing the FDICconnect Business Center. (Please refer to the attached information sheet for guidance on access to this system using FDICconnect.) Also, to improve consistency with the requirements of the Securities and Exchange Commission, the FDIC is changing the form numbers of its existing beneficial ownership reports from Forms F-7, F-8, and F-8A to Forms 3, 4, and 5, respectively. The revisions to Part 335, including the electronic filing requirement, will take effect on June 11, 2004, but early compliance is permitted and encouraged. The FDIC also invites comments on the interim final rule. Comments must be received by that same date.

The FDIC instituted the electronic Beneficial Ownership Filings system, which also hosts the other banking agencies' beneficial ownership report filings, on July 30, 2003. At that time, the FDIC issued guidance notifying registered banks about the new system and encouraged their insiders to begin using the system on a voluntary basis (see FIL-60-2003, dated July 28, 2003). Reports submitted via the Beneficial Ownership Filings system are immediately available on the FDIC's public Web site (www2.fdic.gov/efr/). Implementation of this system is an important step in the FDIC's ongoing efforts to streamline the filing and retrieval of reports filed under the Exchange Act.

Registered banks and their insiders are reminded that the Sarbanes-Oxley Act's amendments to the Exchange Act also require that when a change in beneficial ownership of the bank's

registered securities occurs, the insider is required to report the change within two business days after the transaction has been executed. Those amendments also require that, when reports are filed electronically, a registered bank with a public Web site must post its insiders' reports on its Web site within one business day after the report is filed. A bank may meet this requirement by providing on its Web site a clearly captioned link to the FDIC's Web site that leads directly to a list of the reports filed by the bank's insiders.

For further information, please contact Mary Frank (202-898-8903) or Dennis Chapman (202 898-8922) in the Division of Supervision and Consumer Protection or Carl Gold (202 898 8702) in the Legal Division.

For your reference, FDIC Financial Institution Letters may be accessed on the FDIC's Web site at www.fdic.gov/news/news/financial/2004/index.html. To learn how to automatically receive FDIC Financial Institution Letters through e-mail, please visit www.fdic.gov/news/news/announcements/index.html.

Michael J. Zamorski
Director
Division of Supervision and Consumer Protection

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Attachments

- [Access to the Beneficial Ownership Filing System Using FDICconnect](#)
- FDICconnect Designated Coordinator Registration Form: Available from the FDIC only in hard copy. The form has been mailed to all FDIC-supervised banks subject to 12 CFR Part 335.
- [April 12, 2004 Federal Register, pages 19085-19093 - PDF](#) 82.03k

Distribution: FDIC-Supervised Banks (Commercial and Savings) Subject to 12 CFR Part 335

NOTE: Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th Street, NW, Room 100, Washington, DC 20434 (1-877-275-3342 or (703) 562-2200).