



Securities Disclosure

FIL-48-96
July 12, 1996

TO: CHIEF EXECUTIVE OFFICER
SUBJECT: *Proposed Revision to Rule on
Securities of Nonmember Insured Banks
(Part 335 of the FDIC's Rules and Regulations)*

The FDIC Board of Directors is seeking comment on its proposed revision to the Corporation's rule on securities of nonmember insured banks (Part 335 of the FDIC's rules and regulations). Written comments, including supporting analysis and data, are due by September 26, 1996.

As proposed, the revised regulation would incorporate by cross reference the comparable rules of the Securities and Exchange Commission (SEC), rather than continue to maintain the separate, but substantially similar, body of rules now contained in Part 335. The FDIC believes this change would be an effective way to assure that FDIC securities disclosure requirements for banks with a class of securities registered under Section 12 of the Securities Exchange Act of 1934 (Exchange Act) remain substantially similar to those of the SEC.

Comments are invited on all aspects of the proposed rule, including:

- the benefits and disadvantages of cross referencing as a method for assuring substantial similarity between FDIC and SEC regulations;
- the potential cost savings or cost burden of cross referencing (please include specific dollar estimates of any anticipated benefits, and dollar estimates for transitional and continuing costs for such expenses as reference services, staff training, and additional necessary professional assistance);
- whether the FDIC should consider any specific exemptions from, or separate additions to, the SEC's regulations;
- whether the FDIC should continue to require disclosure of insider extensions of credit as it currently does under its rules in 12 CFR 335.212 Item 7(b);
- whether the FDIC should continue to make available Exchange Act filings for inspection at the Federal Reserve Banks; and
- the appropriate time frame for implementing the final rule, including when compliance with the rule should be required following its publication in the *Federal Register*.

Copies of Exchange Act forms (except FDIC Beneficial Ownership Report Forms F-7, F-8 and F-8A) may be obtained by writing to the SEC, 450 Fifth Street, NW, Washington, D.C. 20549. The SEC's general Exchange Act rules and regulations concerning these forms are codified at 17 CFR Part 240. The SEC's rules and regulations may be obtained by writing the Superintendent of Documents, Government Printing Office, Washington, D.C. 20402-0325 or by contacting various commercial reference services.

Attached is a copy of the FDIC's proposed rule, published in the Federal Register on June 28, 1996. Written comments should be mailed to the Office of the Executive Secretary, Federal Deposit Insurance Corporation, 550 17th Street, N.W., Washington, D.C. 20429.

For further information, please contact Lawrence H. Pierce (202-898-8902) or M. Eric Dohm (202-898-8921) in the Division of Supervision, or Gerald J. Gervino (202-898-3723) in the Legal Division.

Nicholas J. Ketcha Jr.
Director

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Last Updated 07/13/1999

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