



Securities Transaction Requirements

FIL-02-97
January 14, 1997

TO: CHIEF EXECUTIVE OFFICER
SUBJECT: *Joint Agency Proposal to Establish Qualification Requirements for Banks and Bank Securities Representatives Involved in the Retail Solicitation, Recommendation, Purchase, or Sale of Certain Securities*

The FDIC, the Federal Reserve Board and the Office of the Comptroller of the Currency have jointly issued for public comment the attached proposed rule that would establish requirements for bank securities representatives (BSRs) who engage in the retail solicitation, recommendation, purchase, or sale of certain securities. The proposed rule also specifies conditions for banks that employ BSRs. The agencies propose to adopt four forms based on the standardized forms used in the securities industry for broker-dealers and their registered representatives.

Requirements of the proposed rule are consistent with the professional qualification mandates for broker-dealers and registered representatives. Bank employees must file and pass a proficiency examination as a prerequisite to becoming a BSR and to engaging in retail activities related to certain securities. Subsequently, BSRs will have continuing education requirements. Banks that employ BSRs must file as sponsoring organizations with the National Association of Securities Dealers, Inc. (NASD). It is anticipated that the NASD will receive bank and bank employee filings and will use its central registration depository as a database for tracking banks and BSRs.

Comments on the attached proposed rule are due by February 28, 1997.

Questions regarding this proposal may be directed to William A. Stark, Assistant Director, Division of Supervision (DOS), at 202-898-6122; Lisa M. Arques, DOS Senior Capital Markets Specialist, at 202-898-8633; or Patrick J. McCarthy, Counsel, Legal Division, at 202-898-8708.

Nicholas J. Ketcha Jr.
Director

Attachment
[HTML File](#) (123 kb) [PDF help](#) or [hard copy](#),

Distribution: Member Commercial Banks and FDIC-Supervised Savings Banks

Note: Paper copies of FDIC financial institution letters may be obtained through the FDIC's Public Information Center, 801 17th St., NW, Room 100, Washington, D.C. 200434 ((703) 562-2200 or 800-276-6003)