



NEWS RELEASE

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FDIC JOINS OTHER REGULATORS IN NEW MINIMUM STANDARDS FOR INTERNATIONAL BANKING SUPERVISION

The FDIC has joined with regulators in the United States and 11 other industrialized nations on new minimum standards for authorizing and supervising international banking operations.

The joint agreement is intended to improve international supervision and coordination in light of a number of recent developments, including the widespread fraud and financial troubles at the failed Bank of Credit and Commerce International (BOCI).

The international Basle Committee on Banking Supervision, of which the FDIC is a member, reaffirmed previously adopted principles for international supervision but under stronger minimum standards that each of the 12 nations on the committee will be expected to observe. In addition, the Basle Committee agreed to encourage banking supervisors from other nations to endorse these standards.

The minimum standards seek to ensure that every bank with operations in more than one country will be subject to effective, consolidated oversight by a single supervisor while still taking into account the legal and structural differences among the countries.

The agreement includes provisions that consolidate the supervision of a bank or banking group's international activities under a single regulator and ensure that this regulator will have access to information about the institution's activities in other countries. Of special interest to U.S. banking agencies is that the agreement recognizes that a country may restrict or prohibit a foreign bank's operations within its borders if its regulator

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believes that the bank's home-country regulator is not meeting the new minimum standards for effective consolidated supervision.

The following approved the new standards as members of the Basle Committee: Belgium, Canada, France, Germany, Italy, Japan, Luxembourg, the Netherlands, Sweden, Switzerland, the United Kingdom and the United States.

A copy of the Basle Committee agreement is available upon request from the FDIC's Office of Corporate Communications.

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