

## PREFACE

The 1998 National Treatment Study is the third quadrennial report required by the Financial Reports Act of 1988 (Pub. L. 100-418, sec. 3601 *et seq.*; 22 U.S.C. 5351 *et seq.*). (The mandate for this periodic report is reproduced in the section “Legislative Mandate for 1998 Report.”) The first report required under this act was prepared in 1990 and the second in 1994. There were also three NTS reports beginning in 1979, prepared under earlier legislation.

The Office of the Assistant Secretary for International Affairs (OASIA) of the U.S. Treasury Department and the Office of the Comptroller of the Currency (OCC) share responsibility for the preparation of the entire report. (The Acknowledgments section of this Report indicates the principal authors and editors of individual chapters.)

The 1998 National Treatment Study begins with an Executive Summary that gives an overview of the entire report. The main body of the study is divided into three parts. Part I describes the treatment of foreign financial institutions under U.S. law and the operations of foreign financial institutions in the United States. It contains two chapters that cover banking and securities, including futures and other derivatives markets. Part II contains one chapter which describes international financial services negotiations that were concluded at the end of 1997 and next steps anticipated beginning in 1999. Part III reports on the treatment of U.S. financial services firms in overseas banking and securities markets. It contains detailed descriptions of market conditions in 24 countries or regions. The chapters are presented in alphabetical order.

The country chapters cover major markets in which U.S. financial services providers confront significant impediments to the establishment or provision of financial services. The report also encompasses markets where significant improvements have taken place since the last National Treatment Study in 1994. The Treasury Department and the OCC solicited private sector views about which markets should be studied through a notice in the April 16, 1998 *Federal Register*. The countries chosen reflect the comments received. Also, drafts of the chapters were sent for review and comment to members of the U.S. financial industry and to financial and regulatory authorities in each market.

The study covers both the banking and securities markets in 22 countries, and banking only in two additional countries. One chapter describes in detail recent developments regarding the European Union’s single market in financial services. Each chapter follows the same basic format: summary, description of the market, the presence of U.S. financial institutions, and the treatment of U.S. financial institutions.

The National Treatment Study is current as of June 30, 1998. Where possible, developments since that date have been incorporated.