



NEWS RELEASE

Comptroller of the Currency
Administrator of National Banks

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OCC Proposes Operating Subsidiaries For Federal Branches And Agencies of Foreign Banks

WASHINGTON -- The Office of the Comptroller of the Currency (OCC) is proposing a new rule that would permit a U.S. Federal branch or agency of a foreign bank to establish an operating subsidiary.

The basis for the [proposed rule](#) is the International Banking Act of 1978 which applies national treatment to the regulation of foreign bank activities in the United States. National treatment promotes competitive equality between the U.S. operations of foreign banks and national banks. Accordingly, this proposal provides that a U.S. Federal branch or agency may establish an operating subsidiary to the same extent as a national bank.

The procedures for a U.S. Federal branch or agency to establish an operating subsidiary mirror the procedures that apply to national banks with certain modifications to reflect differences in the capital measures and managerial standards that apply to federal branches and agencies. These modifications address the definition of "well capitalized" and "well managed" that serve as procedural criteria for the establishment of operating subsidiaries.

Comments are due 60 days after publication in the *Federal Register*.

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The OCC charters, regulates and examines approximately 2,300 national banks and 56 federal branches of foreign banks in the U.S., accounting for more than 56 percent of the nation's banking assets. Its mission is to ensure a safe and sound and competitive national banking system that supports the citizens, communities and economy of the United States.