

# RESCINDED



Comptroller of the Currency  
Administrator of National Banks  
US Department of the Treasury

OCC 2004-22 has been replaced by OCC 2006-22

OCC 2004-22

**Subject: Complex Structured Finance Transactions**  
**Date: May 19, 2004**

**To: Chief Executive Officers of National Banks,  
Department and Division Heads, All Examining  
Personnel, and Other Interested Parties**

## Description: Notice of Joint Statement with Request for Comment

### PURPOSE

The Office of the Comptroller of the Currency, the Board of Governors of the Federal Reserve System, the Federal Deposit Insurance Corporation, the Office of Thrift Supervision, and the Securities and Exchange Commission ("the agencies") are requesting public comment on the attached interagency statement concerning the complex structured finance activities of financial institutions. The statement was published in the *Federal Register* on May 19. The comment period on the proposed statement will end on June 18, 2004.

### SUMMARY

Complex structured finance activities typically involve the structuring of cash flows and the allocation of risk among borrowers and investors to meet the specific objectives of the customer in more efficient ways. They often involve professionals from multiple disciplines within a financial institution and may be associated with the creation or use of one or more special purpose entities designed to address the economic, legal, tax, or accounting objectives of the customer. Although in the vast majority of cases, structured finance products and the roles played by financial institutions with respect to these products serve legitimate business purposes of customers, institutions may be exposed to substantial reputation and legal risks if they enter into transactions without sufficient due diligence, oversight, and internal controls.

The interagency statement describes the types of internal controls and risk management procedures that can assist financial institutions to identify and address the reputation, legal and other risks associated with complex structured transactions. The statement, among other things, provides that financial institutions should have effective policies and procedures in place to identify those complex structured finance transactions that may involve heightened reputation and legal risk, to ensure that these transactions receive enhanced scrutiny by the institution, and to ensure that the institution does not participate in illegal or inappropriate transactions. The statement also emphasizes the critical role of an institution's board of directors and senior management in establishing a corporate-wide culture that fosters integrity, compliance with the law, and overall good business ethics.

### FOR FURTHER INFORMATION CONTACT:

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### Related Links

- [Interagency Statement 69 FR 28980](#)