

104TH CONGRESS
2D SESSION

S. 2144

To enhance the supervision by Federal and State banking agencies of foreign banks operating in the United States, to limit participation in insured financial institutions by persons convicted of certain crimes, and for other purposes.

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 27, 1996

Mr. D'AMATO (for himself, Mr. KERRY, Mr. FAIRCLOTH, Mr. PRESSLER, and Mr. DODD) introduced the following bill; which was read twice and referred to the Committee on Banking, Housing, and Urban Affairs

A BILL

To enhance the supervision by Federal and State banking agencies of foreign banks operating in the United States, to limit participation in insured financial institutions by persons convicted of certain crimes, and for other purposes.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Foreign Bank Enforce-
5 ment Act of 1996”.

1 **SEC. 2. UNAUTHORIZED PARTICIPATION BY CONVICTED**
 2 **PERSONS.**

3 Section 19 of the Federal Deposit Insurance Act (12
 4 U.S.C. 1829) is amended—

5 (1) in subsection (a), by striking “Corporation”
 6 and inserting “appropriate Federal banking author-
 7 ity”; and

8 (2) by adding at the end the following new sub-
 9 section:

10 “(c) DEFINITION.—For purposes of this section—

11 “(1) the term ‘appropriate Federal banking au-
 12 thority’ means—

13 “(A) the Corporation, in the case of any
 14 insured depository institution, except as specifi-
 15 cally provided in subparagraphs (B), (C), and
 16 (D), or in the case of any insured branch of a
 17 foreign bank;

18 “(B) the Board of Governors of the Fed-
 19 eral Reserve System, in the case of any bank
 20 holding company and any subsidiary thereof
 21 (other than a bank), uninsured State branch or
 22 agency of a foreign bank, or any organization
 23 organized and operated under section 25A of
 24 the Federal Reserve Act or operating under sec-
 25 tion 25 of the Federal Reserve Act;

1 “(C) the Comptroller of the Currency, in
 2 the case of any Federal agency or uninsured
 3 Federal branch of a foreign bank; and

4 “(D) the Office of Thrift Supervision, in
 5 the case of any savings and loan holding com-
 6 pany and any subsidiary thereof (other than a
 7 bank or a savings association) or any institu-
 8 tion that is treated as an insured bank under
 9 section 8(b)(9); and

10 “(2) the term ‘insured depository institution’
 11 shall be deemed to include any institution treated as
 12 an insured bank under paragraph (3), (4), or (5) of
 13 section 8(b) or as a savings association under sec-
 14 tion 8(b)(9).”.

15 **SEC. 3. REMOVAL ACTIONS AGAINST PERSONS CONVICTED**
 16 **OF FELONIES.**

17 Section 8(i)(3) of the Federal Deposit Insurance Act
 18 (12 U.S.C. 1818(i)(3)) is amended—

19 (1) by inserting “, or any order pursuant to
 20 subsection (g),” after “any notice”; and

21 (2) by inserting “or order” after “such notice”.

22 **SEC. 4. INTERNATIONAL COOPERATION.**

23 Section 15 of the International Banking Act of 1978
 24 (12 U.S.C. 3109) is amended by adding at the end the
 25 following new subsections:

1 “(c) INFORMATION OBTAINED FROM FOREIGN
2 SUPERVISORS.—

3 “(1) IN GENERAL.—Except as provided in sub-
4 section (d), the Board, the Comptroller, the Federal
5 Deposit Insurance Corporation, and the Office of
6 Thrift Supervision shall not be compelled to disclose
7 information obtained from a foreign supervisor if—

8 “(A) the foreign supervisor has, in good
9 faith, determined and represented to such agen-
10 cy that public disclosure of the information
11 would violate the laws applicable to that foreign
12 supervisor; and

13 “(B) the United States agency obtains
14 such information pursuant to—

15 “(i) such procedure as the agency may
16 authorize for use in connection with the
17 administration or enforcement of the bank-
18 ing laws; or

19 “(ii) a memorandum of under-
20 standing.

21 “(2) TREATMENT UNDER TITLE 5.—For pur-
22 poses of section 552 of title 5, United States Code,
23 this subsection shall be considered to be a statute
24 described in subsection (b)(3)(B) of such section
25 552.

1 “(d) SAVINGS PROVISION.—Nothing in this section
 2 authorizes the Board, the Comptroller, the Federal De-
 3 posit Insurance Corporation, or the Office of Thrift
 4 Supervision to withhold information from the Congress or
 5 to prevent such agency from complying with an order of
 6 a court of the United States in an action commenced by
 7 the United States or by such agency.”.

8 **SEC. 5. TERMINATION OF FOREIGN BANK OFFICES IN THE**
 9 **UNITED STATES.**

10 Section 7(e) of the International Banking Act of
 11 1978 (12 U.S.C. 3105(e)) is amended by adding at the
 12 end the following new paragraph:

13 “(8) PROVISIONS OF A TERMINATION ORDER.—
 14 An order issued by the Board under paragraph (1)
 15 or by the Comptroller under section 4(i) may contain
 16 such terms and conditions as the Board or the
 17 Comptroller, as the case may be, deems appropriate
 18 to carry out this subsection.”.

19 **SEC. 6. DISCLOSURE OF CERTAIN MATTERS OCCURRING**
 20 **BEFORE GRAND JURY.**

21 Section 3322(b) of title 18, United States Code, is
 22 amended—

23 (1) in paragraph (1), by inserting “State or
 24 Federal” before “financial institution”; and

- 1 (2) in paragraph (2), by inserting “at any time
- 2 during or after the completion of the investigation of
- 3 the grand jury” before “upon”.

