

Annex VII(A) - United States

Due to these Federal measures and certain state measures, foreign banks with direct deposit-taking branches or bank subsidiaries in the United States are not permitted to establish or acquire interests in banks located in some states on the same basis as domestic bank holding companies from the state of the foreign bank's principal place of banking operations or the foreign bank's home state. The following types of measures, among others, fall into this category:

- (a) foreign banks are expressly excluded from the authority to own banks under certain regional holding company laws;
- (b) foreign banks are implicitly excluded from the definition of an eligible owner under certain state laws that require a majority of a banking company's deposits to be in the United States, in a particular region of the United States or in a particular state;
- (c) foreign banks that do not already own a banking subsidiary in the United States are interpreted as not qualifying as an eligible "bank holding company" entitled to own a bank in the United States; and
- (d) where a foreign bank's principal place of business is in a state which is different from its home state and the measures of the target state accord better treatment to bank holding companies from one of these states, the foreign bank will be subject to the more restrictive rule.

Phase-Out:

None