

September 6, 1992

ANNEX VII
PART A
Schedule of the United States

SECTOR:	Financial Services
SUB-SECTOR:	Banking
TYPE OF RESERVATION:	Article 1407 (National Treatment)
MEASURE:	Limitations on acquisition of interests in banks on an interstate basis
LEVEL OF GOVERNMENT:	Federal
LEGAL CITATION:	Bank Holding Company Act of 1956, as amended, 12 U.S.C. § 1842(d); International Banking Act of 1978, as amended, 12 U.S.C. § 3103(a)(5).
DESCRIPTION:	<p>Federal authorities may not approve the establishment of, or acquisition of an interest in, a bank subsidiary within a state ("the host state") by a foreign bank that has a full-service branch or bank subsidiary in the United States, unless the measures of the host state expressly permit the transaction. Thus, foreign banks may not acquire interests in banks in some states on the same basis as domestic bank holding companies from the foreign bank's home state. For purposes of determining national treatment under paragraph 6(b) of Article 1407, foreign banks are located in their "home state," as that term is used in the International Banking Act of 1978.</p> <p>The following types of measures, <u>inter alia</u>, fall into this category:</p> <ul style="list-style-type: none">(a) Foreign banks are expressly excluded from the authority to own banks in certain regional holding company laws.(b) Foreign banks are implicitly excluded