

§ 206.6

appropriate supervisory authority of the country in which the correspondent is chartered.

(iii) For a correspondent that is a foreign bank organized in a country that has not adopted the risk-based framework of the Basle Capital Accord, the ratios shall be calculated in accordance with the provisions of the Basle Capital Accord.

§ 206.6 Waiver.

The Board may waive the application of § 206.4(a) of this part to a bank if the primary Federal supervisor of the bank advises the Board that the bank is not reasonably able to obtain necessary services, including payment-related services and placement of funds, without incurring exposure to a correspondent in excess of the otherwise applicable limit.

§ 206.7 Transition provisions.

(a) Beginning on June 19, 1993, a bank shall comply with the prudential standards prescribed under § 206.3 of this part.

(b) Beginning on June 19, 1994, a bank shall comply with the limit on credit exposure to an individual correspondent required under § 206.4(a) of this part, but for a period of one year after this date the limit shall be 50 percent of the bank's total capital.

PART 207—SECURITIES CREDIT BY PERSONS OTHER THAN BANKS, BROKERS, OR DEALERS (REGULATION G)

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INTERPRETATIONS

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- 207.103 Corporate guaranty of bank loan as extension of credit in the ordinary course of business.
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- 207.106 "Deep in the money put and call options" as extensions of credit.
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- 207.110 Accepting a purpose statement through the mail without benefit of face-to-face interview.
- 207.111 Combined credit for exercising employee stock options and paying income taxes incurred as a result of such exercise.
- 207.112 Purchase of debt securities to finance corporate takeovers.
- 207.113 Application of the single-credit rule to loan participations.
- 207.114 Credit to brokers and dealers.

AUTHORITY: 15 U.S.C. 78c, 78g, 78q, and 78w.

SOURCE: Sections 207.1 through 207.7 appear at Reg. G, 48 FR 35071, Aug. 3, 1983, unless otherwise noted.

EDITORIAL NOTE: For FR citations to changes to the List of OTC Margin Stocks, see the List of CFR Sections Affected in the Finding Aids section of this volume.

§ 207.1 Authority, purpose, and scope.

(a) *Authority.* Regulation G (this part) is issued by the Board of Governors of the Federal Reserve System (the Board) pursuant to the Securities Exchange Act of 1934 (the Act) (15 U.S.C. 78a *et seq.*).

(b) *Purpose and scope.* (1) This part applies to persons other than banks, brokers or dealers, who extend or maintain credit secured directly or indirectly by margin stock and who are required to register with the Board under § 207.3(a) of this part. Credit extended by such persons is regulated by limiting the loan value of the collateral securing the credit, if the purpose of the credit is to buy or carry margin stock.