

**§ 347.1 Authority and scope.**

Under sections 3(o), 18(d) and 18(l) of the Federal Deposit Insurance Act, as amended by section 301, Pub. L. No. 95-630, 92 Stat. 3641 (12 U.S.C. 1813(o), 1828(d), 1828(l)), the Federal Deposit Insurance Corporation (the *Corporation*) prescribes the following regulation relating to: (a) Foreign branches of insured State nonmember banks, (b) the acquisition and holding of stock in foreign banks and other financial entities, and (c) loans or extensions of credit to or for the account of such foreign banks or other financial entities.

**§ 347.2 Definitions.**

For the purposes of this part:

(a) *Foreign branch* means any office or place of business of an insured State nonmember bank located outside the United States, its territories, Puerto Rico, Guam, American Samoa, or the Virgin Islands, at which banking operations (excluding representative offices solely concerned with new business development or public relations) are conducted.

(b) *Foreign country* means any foreign nation or colony, dependency, or possession thereof.

(c) *Foreign bank* means a bank organized under the law of a foreign country or any dependency or insular possession of the United States which is principally engaged in a commercial banking business and not engaged, directly or indirectly, in any activity in the United States except as in the judgment of the Federal Deposit Insurance Corporation, shall be incidental to the international or foreign business of such foreign bank.

(d) *Other financial entity* means a foreign institution other than a foreign bank which is: (1) Organized under the law of a foreign country or any dependency or insular possession of the United States, (2) not engaged, directly or indirectly, in any activity in the United States except as is incidental to its foreign business, and (3) engaged solely in the business of holding the shares of foreign banks, performing nominee, fiduciary, or other banking services incidental to the activities of a foreign branch or banking affiliate of an insured State nonmember bank, or performing other financial activities

approved by the Corporation as being consistent with this part.

**§ 347.3 Foreign branches.**

(a) *Establishing, moving, or closing foreign branches.* A foreign branch may not be established, operated, or relocated by an insured State nonmember bank without the prior written consent of the Corporation. This consent may be obtained through the application procedures set forth under part 303. For all foreign branches and relocations thereof, the application shall contain information on the exact location of the facility and on the involvement of insiders as such involvement is specified in § 303.2, as well as the name and address of the newspaper in which the notice required by § 303.14(b)(1) is published and the date of that publication. At the time of the closing of a foreign branch, the insured State nonmember bank shall by letter advise the regional director of the name, the location, and the date of the closing of the branch.

(b) *Existing foreign branches.* The Corporation hereby grants its general consent for any insured State nonmember bank with a foreign branch that was established prior to March 10, 1979 to continue operating such branch without application for specific approval, provided the activity does not conflict with the provisions of this part and the following information regarding the branch is submitted (unless already submitted) within 90 days from April 30, 1979: Name and location; statement of condition; earnings statement, with year-to-date and last two full years' data; estimated time when branch will be profitable if it is not; description of policies and management procedures designed to ensure safe and sound operation; and description of services offered.

(c) *Powers of foreign branches.* In addition to its general banking powers and to the extent consistent with its charter, the banking practices in the country where it does business, and the provisions of this part, a Branch may:

(1) Guarantee customer's debts or otherwise agree for their benefit to make payments on the occurrence of