

Section 592, R.S. §5209; acts Sept. 26, 1918, ch. 177, §7, 40 Stat. 972; Aug. 23, 1935, ch. 614, title III, §316, 49 Stat. 712, related to embezzlement. See sections 334, 656, and 1005 of Title 18, Crimes and Criminal Procedure.

Section 593, acts Dec. 23, 1913, ch. 6, §22(a), 38 Stat. 272; Sept. 26, 1918, ch. 177, §5, 40 Stat. 970; Feb. 25, 1927, ch. 191, §15, 44 Stat. 1232; Aug. 23, 1935, ch. 614, title III, §326(a), 49 Stat. 715, related to loans and gratuities.

Section 594, acts Dec. 23, 1913, ch. 6, §22(b), 38 Stat. 272; Sept. 26, 1918, ch. 177, §5, 40 Stat. 970; Aug. 23, 1935, ch. 614, title III, §326(b), 49 Stat. 716, related to bank examiners performing other services for compensation and disclosure of information. See sections 1906 and 1909 of Title 18, Crimes and Criminal Procedure.

Section 595, acts Dec. 23, 1913, ch. 6, §22(c), 38 Stat. 272; June 21, 1917, ch. 32, §11, 40 Stat. 240; Sept. 26, 1918, ch. 177, §5, 40 Stat. 970, related to officers and employees accepting commissions and gifts for procuring loans. See section 215 of Title 18, Crimes and Criminal Procedure.

Section 596, act Dec. 23, 1913, ch. 6, §22(h), as added June 19, 1934, ch. 653, §3, 48 Stat. 1107, related to false statements or overvaluation of securities to secure loan. See section 1014 of Title 18, Crimes and Criminal Procedure.

Section 597, act Dec. 23, 1913, ch. 6, §22(i), as added June 19, 1934, ch. 653, §3, 48 Stat. 1107, related to embezzlement, etc. See sections 655 and 1005 of Title 18, Crimes and Criminal Procedure.

Section 598, act Dec. 23, 1913, ch. 6, §22(j), as added June 19, 1934, ch. 653, §3, 48 Stat. 1107, related to application of former sections 202 to 207 of Title 18, Crimes and Criminal Procedure.

Section 599, act Dec. 23, 1913, ch. 6, §22(k), as added June 19, 1934, ch. 653, §3, 48 Stat. 1107, related to fees, commissions, and bonuses in connection with loans. See section 214 of Title 18, Crimes and Criminal Procedure.

CHAPTER 6—FOREIGN BANKING

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SUBCHAPTER I—ESTABLISHMENT BY NATIONAL BANKS OF FOREIGN BRANCHES AND INVESTMENTS IN BANKS DOING FOREIGN BUSINESS

§ 601. Authorization; conditions and regulations

Any national banking association possessing a capital and surplus of \$1,000,000 or more may file application with the Board of Governors of the Federal Reserve System for permission to exercise, upon such conditions and under such regulations as may be prescribed by the said board, the following powers:

First. To establish branches in foreign countries or dependencies or insular possessions of the United States for the furtherance of the foreign commerce of the United States, and to act if required to do so as fiscal agents of the United States.

Second. To invest an amount not exceeding in the aggregate 10 per centum of its paid-in capital stock and surplus in the stock of one or more banks or corporations chartered or incorporated under the laws of the United States or of any State thereof, and principally engaged in international or foreign banking, or banking in a dependency or insular possession of the United States either directly or through the agency, ownership, or control of local institutions in foreign countries, or in such dependencies or insular possessions.

Third. To acquire and hold, directly or indirectly, stock or other evidences of ownership in one or more banks organized under the law of a foreign country or a dependency or insular possession of the United States and not engaged, directly or indirectly, in any activity in the United States except as, in the judgment of the Board of Governors of the Federal Reserve System, shall be incidental to the international or foreign business of such foreign bank; and, notwithstanding the provisions of section 371c of this title, to make loans or extensions of credit to or for the account of such bank in the manner and within the limits prescribed by the Board by general or specific regulation or ruling.

Until January 1, 1921, any national banking association, without regard to the amount of its capital and surplus, may file application with the Board of Governors of the Federal Reserve System for permission, upon such conditions and under such regulations as may be prescribed by said board, to invest an amount not exceeding in the aggregate 5 per centum of its paid-in capital and surplus in the stock of one or more corporations chartered or incorporated under the laws of the United States or of any State thereof and, regardless of its location, principally engaged in such phases of international or foreign financial operations as may be necessary to facilitate the export of goods, wares, or merchandise from the United States or any of its dependencies or insular possessions to any foreign country: *Provided, however,* That in no event shall the total investments authorized by this subchapter by any one national bank exceed 10 per centum of its capital and surplus.

Such application shall specify the name and capital of the banking association filing it, the powers applied for, and the place or places where the banking or financial operations proposed are to be carried on. The Board of Governors of the Federal Reserve System shall have power to approve or to reject such application in whole or in part if for any reason the granting of such application is deemed inexpedient, and shall also have power from time to time to increase or decrease the number of places where such banking operations may be carried on.

(Dec. 23, 1913, ch. 6, §25 (pars.), 38 Stat. 273; Sept. 7, 1916, ch. 461, 39 Stat. 755; Sept. 17, 1919, ch. 60, §§1, 2, 41 Stat. 285, 286; Aug. 23, 1935, ch. 614, title II, §203(a), 49 Stat. 704; Pub. L. 89-485, §12(b), July 1, 1966, 80 Stat. 241.)

REFERENCES IN TEXT

This subchapter, referred to in the proviso to the fifth par., was in the original "this section", meaning section 25 of act Dec. 23, 1913, which is classified to this subchapter (§601 et seq.).

CODIFICATION

Section is comprised of the first three undesignated pars. of section 25 of act Dec. 23, 1913, which comprises this subchapter.

The fourth undesignated par. of section 25 is classified to section 602 of this title.

The fifth undesignated par. of section 25 is classified to section 603 of this title.

The sixth undesignated par. of section 25 is classified to section 604 of this title.

The former seventh undesignated par. was classified to former section 605 of this title.

The seventh undesignated par. is classified to section 604a of this title.

AMENDMENTS

1966—Pub. L. 89-485 struck out "either or both of" before "the following powers" in introductory par.

Par. Third. Pub. L. 89-485 added par. Third.

1919—Act Sept. 17, 1919, added par. beginning "Until January 21, 1921" and inserted "financial" in first sentence of last par.

1916—Act Sept. 7, 1916, among other changes, added par. Second, and provisions relating to restrictions on purchasing stock in other banks, investigations as to compliance with regulations, disposal of interest and separation of accounts, etc. which are now contained in section 602 et seq. of this title.

CHANGE OF NAME

Section 203(a) of act Aug. 23, 1935, changed name of Federal Reserve Board to Board of Governors of the Federal Reserve System.

STUDY BY SECRETARY OF THE TREASURY OF DISCRIMINATORY PRACTICES BY FOREIGN NATIONS AGAINST UNITED STATES BANKS; REPORT AND RECOMMENDATIONS TO CONGRESS

Pub. L. 95-369, §9(a), formerly §9, Sept. 17, 1978, 92 Stat. 623, renumbered Pub. L. 95-630, title III, §311, Nov. 10, 1978, 92 Stat. 3678, provided that the Secretary of the Treasury conduct a study of discriminatory practices by foreign nations against United States banks and report his findings and recommendations to Congress on or before one year after Sept. 17, 1978, along with a description of efforts taken by the United States to eliminate any foreign laws or practices that discriminate against United States banks or serve as a barrier to the financing of United States exports to any country.

§ 602. Reports and examinations

Every national banking association operating foreign branches shall be required to furnish information concerning the condition of such branches to the Comptroller of the Currency upon demand, and every member bank investing in the capital stock of banks or corporations described in section 601 of this title shall be required to furnish information concerning the condition of such banks or corporations to the Board of Governors of the Federal Reserve System upon demand, and the Board of Governors of the Federal Reserve System may order special examinations of the said branches, banks, or corporations at such time or times as it may deem best.

(Dec. 23, 1913, ch. 6, §25 (par.), 38 Stat. 273; Sept. 7, 1916, ch. 461, 39 Stat. 755; Sept. 17, 1919, ch. 60, §3, 41 Stat. 286; Aug. 23, 1935, ch. 614, title II, §203(a), 49 Stat. 704.)

CODIFICATION

Section is comprised of the fourth undesignated par. of section 25 of act Dec. 23, 1913, which comprises this subchapter. For classification of other pars. of section 25 of this Act, see Codification note under section 601 of this title.

AMENDMENTS

1919—Act Sept. 17, 1919, substituted "above" for "subparagraph 2 of the first paragraph of this section" in the original, which for purposes of codification appears in text as a reference to section 601 of this title.

1916—Act Sept. 7, 1916, substituted "operating" for "which shall receive authority to establish foreign branches" and inserted "every member bank investing in the capital stock of banks or corporations described in subsection second of section 601 of this title".

CHANGE OF NAME

Section 203(a) of act Aug. 23, 1935, changed name of Federal Reserve Board to Board of Governors of the Federal Reserve System.

EXCEPTION AS TO TRANSFER OF FUNCTIONS

Functions vested by any provision of law in Comptroller of the Currency, referred to in this section, not included in transfer of functions to Secretary of the Treasury, see note set out under section 1 of this title.