''(A) such institution; or

''(B) any company which controls such institution, as determined in accordance with the provisions of subsections (b) and (g) of section 2 of the Bank Holding Company Act of 1956.''

MORATORIUM ON CERTAIN NONBANKING ACTIVITIES

Pub. L. 100–86, title II, §§201–203, Aug. 10, 1987, 101 Stat. 581–584, provided for the period of Mar. 6, 1987, to Mar. 1, 1988, a moratorium on certain nonbanking activities, including expansion of activities of foreign banks and authority of Federal banking agencies to authorize or allow certain security, insurance, or real estate activities.

§ 1842. Acquisition of bank shares or assets

(a) Prior approval of Board as necessary; exceptions; disposition, time extension; subsequent approval or disposition upon disapproval

It shall be unlawful, except with the prior approval of the Board, (1) for any action to be taken that causes any company to become a bank holding company; (2) for any action to be taken that causes a bank to become a subsidiary of a bank holding company; (3) for any bank holding company to acquire direct or indirect ownership or control of any voting shares of any bank if, after such acquisition, such company will directly or indirectly own or control more than 5 per centum of the voting shares of such bank; (4) for any bank holding company or subsidiary thereof, other than a bank, to acquire all or substantially all of the assets of a bank; or (5) for any bank holding company to merge or consolidate with any other bank holding company. Notwithstanding the foregoing this prohibition shall not apply to (A) shares acquired by a bank, (i) in good faith in a fiduciary capacity, except where such shares are held under a trust that constitutes a company as defined in section 1841(b) of this title and except as provided in paragraphs (2) and (3) of section 1841(g) of this title, or (ii) in the regular course of securing or collecting a debt previously contracted in good faith, but any shares acquired after May 9, 1956, in securing or collecting any such previously contracted debt shall be disposed of within a period of two years from the date on which they were acquired; (B) additional shares acquired by a bank holding company in a bank in which such bank holding company owned or controlled a majority of the voting shares prior to such acquisition; or (C) the acquisition, by a company, of control of a bank in a reorganization in which a person or group of persons exchanges their shares of the bank for shares of a newly formed bank holding company and receives after the reorganization substantially the same proportional share interest in the holding company as they held in the bank except for changes in shareholders' interests resulting from the exercise of dissenting shareholders' rights under State or Federal law if—

(i) immediately following the acquisition—

(I) the bank holding company meets the capital and other financial standards prescribed by the Board by regulation for such a bank holding company; and

(II) the bank is adequately capitalized (as defined in section 1831*o* of this title);

(ii) the holding company does not engage in any activities other than those of managing and controlling banks as a result of the reorganization;

(iii) the company provides 30 days prior notice to the Board and the Board does not object to such transaction during such 30-day period; and

(iv) the holding company will not acquire control of any additional bank as a result of the reorganization..[1]

The Board is authorized upon application by a bank to extend, from time to time for not more than one year at a time, the two-year period referred to above for disposing of any shares acquired by a bank in the regular course of securing or collecting a debt previously contracted in good faith, if, in the Board's judgment, such an extension would not be detrimental to the public interest, but no such extension shall in the aggregate exceed three years. For the purpose of the preceding sentence, bank shares acquired after December 31, 1970, shall not be deemed to have been acquired in good faith in a fiduciary capacity if the acquiring bank or company has sole discretionary authority to exercise voting rights with respect thereto, but in such instances acquisitions may be made without prior approval of the Board if the Board, upon application filed within ninety days after the shares are acquired, approves retention or, if retention is disapproved, the acquiring bank disposes of the shares or its sole discretionary voting rights within two years after issuance of the order of disapproval.

(b) Application for approval; notice to Comptroller of Currency or State authority; views and recommendations; disapproval; hearing; order of Board; nonaction deemed grant of application; procedure in emergencies or probable failures requiring immediate Board action and orders

(1) Notice and hearing requirements

Upon receiving from a company any application for approval under this section, the Board shall give notice to the Comptroller of the Currency, if the applicant company or any bank the voting shares or assets of which are sought to be required[2] is a national banking association, or to the appropriate supervisory authority of the interested State, if the applicant company or any bank the voting shares or assets of which are sought to be acquired is a State bank, in order to provide for the submission of the views and recommendations of the Comptroller of the Currency or the State supervisory authority, as the case may be. The views and recommendations shall be submitted within thirty calendar days of the date on which notice is given, or within ten calendar days of such date if the Board advises the Comptroller of the Currency or the State supervisory authority that an emergency exists requiring expeditious action. If the thirty-day notice period applies and if the Comptroller of the Currency or the State supervisory authority so notified by the Board disapproves the application in writing within this period, the Board shall forthwith give written notice of

[1] So in original.

[2] So in original. Probably should be ''acquired''.

that fact to the applicant. Within three days after giving such notice to the applicant, the Board shall notify in writing the applicant and the disapproving authority of the date for commencement of a hearing by it on such application. Any such hearing shall be commenced not less than ten nor more than thirty days after the Board has given written notice to the applicant of the action of the disapproving authority. The length of any such hearing shall be determined by the Board, but it shall afford all interested parties a reasonable opportunity to testify at such hearing. At the conclusion thereof, the Board shall, by order, grant or deny the application on the basis of the record made at such hearing. In the event of the failure of the Board to act on any application for approval under this section within the ninety-one-day period which begins on the date of submission to the Board of the complete record on that application, the application shall be deemed to have been granted. Notwithstanding any other provision of this subsection, if the Board finds that it must act immediately on any application for approval under this section in order to prevent the probable failure of a bank or bank holding company involved in a proposed acquisition, merger, or consolidation transaction, the Board may dispense with the notice requirements of this subsection, and if notice is given, the Board may request that the views and recommendations of the Comptroller of the Currency or the State supervisory authority, as the case may be, be submitted immediately in any form or by any means acceptable to the Board. If the Board has found pursuant to this subsection either that an emergency exists requiring expeditious action or that it must act immediately to prevent probable failure, the Board may grant or deny any such application without a hearing notwithstanding any recommended disapproval by the appropriate supervisory authority.

(2) Waiver in case of bank in danger of closing

If the Board receives a certification described in section 1823(f)(8)(D)[3] of this title from the appropriate Federal or State chartering authority that a bank is in danger of closing, the Board may dispense with the notice and hearing requirements of paragraph (1) with respect to any application received by the Board relating to the acquisition of such bank, the bank holding company which controls such bank, or any other affiliated bank.

(c) Factors for consideration by Board

(1) Competitive factors

The Board shall not approve—

(A) any acquisition or merger or consolidation under this section which would result in a monopoly, or which would be in furtherance of any combination or conspiracy to monopolize or to attempt to monopolize the business of banking in any part of the United States, or

(B) any other proposed acquisition or merger or consolidation under this section whose effect in any section of the country may be substantially to lessen competition, or to tend to create a monopoly, or which in any other manner would be in restraint or[4] trade, unless it finds that the anticompetitive effects of the proposed transaction are clearly outweighed in the public interest by the probable effect of the transaction in meeting the convenience and needs of the community to be served.

(2) Banking and community factors

In every case, the Board shall take into consideration the financial and managerial resources and future prospects of the company or companies and the banks concerned, and the convenience and needs of the community to be served.

(3) Supervisory factors

The Board shall disapprove any application under this section by any company if—

(A) the company fails to provide the Board with adequate assurances that the company will make available to the Board such information on the operations or activities of the company, and any affiliate of the company, as the Board determines to be appropriate to determine and enforce compliance with this chapter; or

(B) in the case of an application involving a foreign bank, the foreign bank is not subject to comprehensive supervision or regulation on a consolidated basis by the appropriate authorities in the bank's home country.

(4) Treatment of certain bank stock loans

Notwithstanding any other provision of law, the Board shall not follow any practice or policy in the consideration of any application for the formation of a one-bank holding company if following such practice or policy would result in the rejection of such application solely because the transaction to form such one-bank holding company involves a bank stock loan which is for a period of not more than twenty-five years. The previous sentence shall not be construed to prohibit the Board from rejecting any application solely because the other financial arrangements are considered unsatisfactory. The Board shall consider transactions involving bank stock loans for the formation of a one-bank holding company having a maturity of twelve years or more on a case by case basis and no such transaction shall be approved if the Board believes the safety or soundness of the bank may be jeopardized.

(5) Managerial resources

Consideration of the managerial resources of a company or bank under paragraph (2) shall include consideration of the competence, experience, and integrity of the officers, directors, and principal shareholders of the company or bank.

(6) Money laundering

In every case, the Board shall take into consideration the effectiveness of the company or companies in combatting money laundering activities, including in overseas branches.

[3] See References in Text note below.

[4] So in original. Probably should be ''of''.

(7) Financial stability

In every case, the Board shall take into consideration the extent to which a proposed acquisition, merger, or consolidation would result in greater or more concentrated risks to the stability of the United States banking or financial system.

(d) Interstate banking

(1) Approvals authorized

(A) Acquisition of banks

The Board may approve an application under this section by a bank holding company that is well capitalized and well managed to acquire control of, or acquire all or substantially all of the assets of, a bank located in a State other than the home State of such bank holding company, without regard to whether such transaction is prohibited under the law of any State.

(B) Preservation of State age laws

(i) In general

Notwithstanding subparagraph (A), the Board may not approve an application pursuant to such subparagraph that would have the effect of permitting an out-of-State bank holding company to acquire a bank in a host State that has not been in existence for the minimum period of time, if any, specified in the statutory law of the host State.

(ii) Special rule for State age laws specifying a period of more than 5 years

Notwithstanding clause (i), the Board may approve, pursuant to subparagraph (A), the acquisition of a bank that has been in existence for at least 5 years without regard to any longer minimum period of time specified in a statutory law of the host State.

(C) Shell banks

For purposes of this subsection, a bank that has been chartered solely for the purpose of, and does not open for business prior to, acquiring control of, or acquiring all or substantially all of the assets of, an existing bank shall be deemed to have been in existence for the same period of time as the bank to be acquired.

(D) Effect on State contingency laws

No provision of this subsection shall be construed as affecting the applicability of a State law that makes an acquisition of a bank contingent upon a requirement to hold a portion of such bank's assets available for call by a State-sponsored housing entity established pursuant to State law, if—

(i) the State law does not have the effect of discriminating against out-of-State banks, out-of-State bank holding companies, or subsidiaries of such banks or bank holding companies;

(ii) that State law was in effect as of September 29, 1994;

(iii) the Federal Deposit Insurance Corporation has not determined that compliance with such State law would result in an unacceptable risk to the Deposit Insurance Fund; and

(iv) the appropriate Federal banking agency for such bank has not found that compliance with such State law would place the bank in an unsafe or unsound condition.

(2) Concentration limits

(A) Nationwide concentration limits

The Board may not approve an application pursuant to paragraph (1)(A) if the applicant (including all insured depository institutions which are affiliates of the applicant) controls, or upon consummation of the acquisition for which such application is filed would control, more than 10 percent of the total amount of deposits of insured depository institutions in the United States.

(B) Statewide concentration limits other than with respect to initial entries

The Board may not approve an application pursuant to paragraph (1)(A) if—

(i) immediately before the consummation of the acquisition for which such application is filed, the applicant (including any insured depository institution affiliate of the applicant) controls any insured depository institution or any branch of an insured depository institution in the home State of any bank to be acquired or in any host State in which any such bank maintains a branch; and

(ii) the applicant (including all insured depository institutions which are affiliates of the applicant), upon consummation of the acquisition, would control 30 percent or more of the total amount of deposits of insured depository institutions in any such State.

(C) Effectiveness of State deposit caps

No provision of this subsection shall be construed as affecting the authority of any State to limit, by statute, regulation, or order, the percentage of the total amount of deposits of insured depository institutions in the State which may be held or controlled by any bank or bank holding company (including all insured depository institutions which are affiliates of the bank or bank holding company) to the extent the application of such limitation does not discriminate against out-of-State banks, out-of-State bank holding companies, or subsidiaries of such banks or holding companies.

(D) Exceptions to subparagraph (B)

The Board may approve an application pursuant to paragraph (1)(A) without regard to the applicability of subparagraph (B) with respect to any State if—

(i) there is a limitation described in subparagraph (C) in a State statute, regulation, or order which has the effect of permitting a bank or bank holding company (including all insured depository institutions which are affiliates of the bank or bank holding company) to control a greater percentage of total deposits of all insured depository institutions in the State

than the percentage permitted under subparagraph (B); or

(ii) the acquisition is approved by the appropriate State bank supervisor of such State and the standard on which such approval is based does not have the effect of discriminating against out-of-State banks, out-of-State bank holding companies, or subsidiaries of such banks or holding companies.

(E) "Deposit" defined

For purposes of this paragraph, the term ''deposit'' has the same meaning as in section 1813(*l*) of this title.

(3) Community reinvestment compliance

In determining whether to approve an application under paragraph (1)(A), the Board shall—

(A) comply with the responsibilities of the Board regarding such application under section 2903 of this title; and

(B) take into account the applicant's record of compliance with applicable State community reinvestment laws.

(4) Applicability of antitrust laws

No provision of this subsection shall be construed as affecting—

(A) the applicability of the antitrust laws; or

(B) the applicability, if any, of any State law which is similar to the antitrust laws.

(5) Exception for banks in default or in danger of default

The Board may approve an application pursuant to paragraph (1)(A) which involves—

(A) an acquisition of 1 or more banks in default or in danger of default; or

(B) an acquisition with respect to which assistance is provided under section 1823(c) of this title;

without regard to subparagraph (B) or (D) of paragraph (1) or paragraph (2) or (3).

(e) Insured depository institution

Every bank that is a holding company and every bank that is a subsidiary of such a company shall become and remain an insured depository institution as defined in section 1813 of this title.

(f) [Repealed]

(g) Mutual bank holding company

(1) Establishment

Notwithstanding any provision of Federal law other than this chapter, a savings bank or cooperative bank operating in mutual form may reorganize so as to form a holding company.

(2) Regulations

A bank holding company organized as a mutual holding company shall be regulated on terms, and shall be subject to limitations, comparable to those applicable to any other bank holding company.

(May 9, 1956, ch. 240, § 3, 70 Stat. 134; Pub. L. 89–485, § 7, July 1, 1966, 80 Stat. 237; Pub. L. 91–607, title I, § 102, Dec. 31, 1970, 84 Stat. 1763; Pub. L. 95–188, title III, §§ 301(a), 302, Nov. 16, 1977, 91 Stat. 1388, 1389; Pub. L. 96–221, title VII, §§ 712(b), (c), 713, Mar. 31, 1980, 94 Stat. 189, 190; Pub. L. 97–320, title I, §§ 118(c), 141(a)(4), title IV, § 404(d)(2), Oct. 15, 1982, 96 Stat. 1479, 1489, 1512; Pub. L. 100–86, title I, §§ 101(d), 107(b), title V, §§ 502(h)(1), 509(a), Aug. 10, 1987, 101 Stat. 561, 579, 628, 635; Pub. L. 101–73, title VI, § 602(b), Aug. 9, 1989, 103 Stat. 409; Pub. L. 102–242, title II, §§ 202(d), 210, Dec. 19, 1991, 105 Stat. 2290, 2298; Pub. L. 103–325, title III, §§ 319(a), 322(c)(1), Sept. 23, 1994, 108 Stat. 2224, 2227; Pub. L. 103–328, title I, § 101(a), Sept. 29, 1994, 108 Stat. 2339; Pub. L. 106–102, title I, §§ 105, 118, Nov. 12, 1999, 113 Stat. 1359, 1373; Pub. L. 107–56, title III, § 327(a)(1), Oct. 26, 2001, 115 Stat. 318; Pub. L. 108–386, § 8(c)(2), Oct. 30, 2004, 118 Stat. 2232; Pub. L. 109–173, § 9(h)(2), Feb. 15, 2006, 119 Stat. 3618; Pub. L. 111–203, title VI, §§ 604(d), 607(a), July 21, 2010, 124 Stat. 1601, 1607.)

REFERENCES IN TEXT

Section 1823(f)(8)(D) of this title, referred to in subsec. (b)(2), which defined ''bank in danger of closing'', was repealed by Pub. L. 101–73, title II, § 217(5)(H), Aug. 9, 1989, 103 Stat. 257.

AMENDMENTS

2010—Subsec. (c)(7). Pub. L. 111–203, § 604(d), added par. (7).

Subsec. (d)(1)(A). Pub. L. 111–203, § 607(a), substituted ''well capitalized and well managed'' for ''adequately capitalized and adequately managed''.

2006—Subsec. (d)(1)(D)(iii). Pub. L. 109–173 substituted ''Deposit Insurance Fund'' for ''appropriate deposit insurance fund''.

2004—Subsec. (b)(1). Pub. L. 108–386 struck out ''or a District bank'' after ''national banking association'' in first sentence.

2001—Subsec. (c)(6). Pub. L. 107–56 added par. (6).

1999—Subsec. (f). Pub. L. 106–102, § 118, amended subsec. (f) generally, substituting ''(f) [Repealed].'' for provisions relating to authorized activities of qualified savings banks which are subsidiaries of bank holding companies.

Subsec. (g)(2). Pub. L. 106–102, § 105, amended heading and text of par. (2) generally. Prior to amendment, text read as follows: ''A corporation organized as a holding company under this subsection shall be regulated on the same terms and be subject to the same limitations as any other holding company which controls a savings bank.''

1994—Subsec. (a). Pub. L. 103–325, § 319(a), substituted ''(B)'' for ''or (B)'' and added subpar. (C).

Subsec. (d). Pub. L. 103–328 amended subsec. (d) generally. Prior to amendment, subsec. (d) read as follows: ''Notwithstanding any other provision of this section, no application (except an application filed as a result of a transaction authorized under section 1823(f) of this title) shall be approved under this section which will permit any bank holding company or any subsidiary thereof to acquire, directly or indirectly, any voting shares of, interest in, or all or substantially all of the assets of any additional bank located outside the State in which the operations of such bank holding company's banking subsidiaries were principally conducted on July 1, 1966, or the date on which such company became a bank holding company, whichever is later, unless the acquisition of such shares or assets of a State bank by an out-of-State bank holding company is specifically authorized by the statute laws of the State in which such bank is located, by language to that effect and not merely by implication. For the purposes of this section, the State in which the operations of a bank holding company's subsidiaries are principally conducted is that State in which total deposits of all such banking subsidiaries are largest.''

Subsec. (e). Pub. L. 103–325, § 322(c)(1), struck out after first sentence ''This subsection does not apply to a bank described in the last sentence of section 1841(c) of this title.''

1991—Subsec. (c). Pub. L. 102–242, § 202(d), inserted heading, inserted par. (1) designation and heading, redesignated former pars. (1) and (2) as subpars. (A) and (B), respectively, inserted par. (2) designation and heading, added par. (3), and inserted par. (4) designation and heading.

Subsec. (c)(5). Pub. L. 102–242, § 210, added par. (5).

1989—Subsec. (e). Pub. L. 101–73, which directed the substitution of ''an insured depository institution as defined in section 1813 of this title'' for ''an insured bank as defined in section 1813(h) of this title'', was executed by making the substitution for ''an insured bank as such term is defined in section 1813(h) of this title'', as the probable intent of Congress.

1987—Pub. L. 100–86, § 509(a), repealed Pub. L. 97–320, § 141. See 1982 Amendment note below.

Subsec. (b). Pub. L. 100–86, § 502(h)(1), designated existing provisions as par. (1) and added par. (2).

Subsec. (f). Pub. L. 100–86, § 101(d), added subsec. (f).

Subsec. (g). Pub. L. 100–86, § 107(b), added subsec. (g).

1982—Subsec. (d). Pub. L. 97–320, § 118(c), inserted ''(except an application filed as a result of a transaction authorized under section 1823(f) of this title)'' after ''no application''.

Pub. L. 97–320, § 141(a)(4), which directed that, effective Oct. 13, 1986, the provisions of law amended by section 118 of Pub. L. 97–320 shall be amended to read as they would without such amendment, was repealed by Pub. L. 100–86, § 509(a). See Effective and Termination Dates of 1982 Amendment note and Extension of Emergency Acquisition and Net Worth Guarantee Provisions of Pub. L. 97–320 note set out under section 1464 of this title.

Subsec. (e). Pub. L. 97–320, § 404(d)(2), inserted ''This subsection does not apply to a bank described in the last sentence of section 1841(c) of this title.''

1980—Subsec. (c). Pub. L. 96–221, § 713, inserted provisions relating to applications for the formation of one-bank holding companies.

Subsec. (d). Pub. L. 96–221, § 712(b), (c), temporarily designated existing provisions as par. (1) and added par. (2). See Termination Date of 1980 Amendment note set out below.

1977—Subsec. (a). Pub. L. 95–188, § 301(a), authorized the Board to extend the time for disposition of acquired shares for not more than one year at a time and three years in the aggregate.

Subsec. (b). Pub. L. 95–188, § 302, inserted provision for alternative submission of views and recommendations within ten calendar days of the date on which notice is given if the Board advises the appropriate supervisory authority that an emergency exists requiring expeditious action, substituted ''shall, by order,'' for ''shall by order'' and inserted provisions respecting procedure in emergencies or probable failures requiring immediate Board action and orders.

1970—Subsec. (a). Pub. L. 91–607, § 102(1), inserted provision deeming acquisition of bank shares after Dec. 31, 1970, as not being in good faith in a fiduciary capacity if acquiring bank or company has sole discretionary authority to exercise voting rights with respect thereto, and provision for subsequent approval of retention of acquired shares upon application filed within 90 days of acquisition and disposition of shares or sole discretionary voting rights within two years after order in an event of disapproval.

Subsec. (b). Pub. L. 91–607, § 102(2), inserted provision deeming an application for approval as granted where Board has not acted on application within 91 day period beginning on date of submission to Board of complete record on application.

Subsec. (e). Pub. L. 91–607, § 102(3), added subsec. (e).

1966—Subsec. (a). Pub. L. 89–485, § 7(a), (b), expanded the list of acts requiring prior approval of the Board by including therein any action that causes a bank to become a subsidiary of a bank holding company and substituted provisions excepting shares that are held under a trust that constitutes a company as defined in section 1841(b) of this title and excepting shares as provided in pars. (2) and (3) of section 1841(g) of this title from the effect of the clause lifting the requirements of prior Board approved in the case of shares acquired by a bank in good faith in a fiduciary capacity for provisions excepting shares held for the benefit of the shareholders of a bank from the effect of the clause.

Subsec. (c). Pub. L. 89–485, § 7(c), inserted provision prohibiting any acquisition, merger, or consolidation that would result in a monopoly or would further any combination or conspiracy to monopolize the banking business in any part of the United States or would substantially lessen competition or in any manner be in restraint of trade unless the public interest clearly outweighed the anticompetitive effects and substituted provisions requiring the Board to take into consideration the financial and managerial resources and future prospects of the company or bank concerned and the convenience and needs of the community to be served for provisions requiring the Board to take into consideration the financial history of the company or bank concerned, its prospects, the character of its management, the needs of the community, and the public interest.

Subsec. (d). Pub. L. 89–485, § 7(d), substituted provisions restricting expansion to state in which the operations of the bank holding company's banking subsidiaries were principally conducted, defined, as that state in which total deposits of all such banking subsidiaries were largest, on July 1, 1966, or the date on which the company became a bank holding company, whichever is later, for provisions restricting expansion to state in which the holding company maintains its principal office and place of business or in which it conducts its principal operations.

EFFECTIVE DATE OF 2010 AMENDMENT

Amendment by section 604(d) of Pub. L. 111–203 effective on the transfer date, see section 604(j) of Pub. L. 111–203, set out as a note under section 1462 of this title.

Amendment by section 607(a) of Pub. L. 111–203 effective on the transfer date, see section 607(c) of Pub. L. 111–203, set out as a note under section 1831u of this title.

EFFECTIVE DATE OF 2006 AMENDMENT

Amendment by Pub. L. 109–173 effective Mar. 31, 2006, see section 9(j) of Pub. L. 109–173, set out as a note under section 24 of this title.

EFFECTIVE DATE OF 2004 AMENDMENT

Amendment by Pub. L. 108–386 effective Oct. 30, 2004, and, except as otherwise provided, applicable with respect to fiscal year 2005 and each succeeding fiscal year, see sections 8(i) and 9 of Pub. L. 108–386, set out as notes under section 321 of this title.

EFFECTIVE DATE OF 2001 AMENDMENT

Pub. L. 107–56, title III, § 327(a)(2), Oct. 26, 2001, 115 Stat. 319, as amended by Pub. L. 108–458, title VI, § 6202(i), Dec. 17, 2004, 118 Stat. 3746, provided that: ''The amendment made by paragraph (1) [amending this section] shall apply with respect to any application submitted to the Board of Governors of the Federal Reserve System under section 3 of the Bank Holding Company Act of 1956 [12 U.S.C. 1842] after December 31, [sic].''

EFFECTIVE DATE OF 1999 AMENDMENT

Amendment by Pub. L. 106–102 effective 120 days after Nov. 12, 1999, see section 161 of Pub. L. 106–102, set out as a note under section 24 of this title.

EFFECTIVE DATE OF 1994 AMENDMENT

Amendment by Pub. L. 103–328 effective at end of 1-year period beginning on Sept. 29, 1994, see section

101(e) of Pub. L. 103–328, set out as a note under section 1828 of this title.

TERMINATION DATE OF 1980 AMENDMENT

Amendment by Pub. L. 96–221 repealed on Oct. 1, 1981, see section 712(c) of Pub. L. 96–221, set out as a note under section 27 of this title.

EXTENSION OF EMERGENCY ACQUISITION AND NET WORTH GUARANTEE PROVISIONS OF PUB. L. 97–320

No amendment made by section 141(a) of Pub. L. 97–320, set out as a note under section 1464 of this title, as in effect before Aug. 10, 1987, to any other provision of law to be deemed to have taken effect before such date and any such provision of law to be in effect as if no such amendment had been made before such date, see section 509(c) of Pub. L. 100–86, set out as a note under section 1464 of this title.

No amendment made by section 141(a) of Pub. L. 97–320, set out as a note under section 1464 of this title, as in effect on the day before Oct. 8, 1986, to any other provision of law to be deemed to have taken effect before such date and any such provision of law to be in effect as if no such amendment had taken effect before such date, see section 1(c) of Pub. L. 99–452, set out as a note under section 1464 of this title.

Section 141(a) of Pub. L. 97–320, set out as a note under section 1464 of this title, as in effect on the day after Aug. 27, 1986, applicable as if included in Pub. L. 97–320 on Oct. 15, 1982, with no amendment made by such section to any other provision of law to be deemed to have taken effect before Aug. 27, 1986, and any such provision of law to be in effect as if no such amendment had taken effect before Aug. 27, 1986, see section 1(c) of Pub. L. 99–400, set out as a note under section 1464 of this title.

§ 1843. Interests in nonbanking organizations

(a) Ownership or control of voting shares of any company not a bank; engagement in activities other than banking

Except as otherwise provided in this chapter, no bank holding company shall—

(1) after May 9, 1956, acquire direct or indirect ownership or control of any voting shares of any company which is not a bank, or

(2) after two years from the date as of which it becomes a bank holding company, or in the case of a company which has been continuously affiliated since May 15, 1955, with a company which was registered under the Investment Company Act of 1940 [15 U.S.C. 80a–1 et seq.], prior to May 15, 1955, in such a manner as to constitute an affiliated company within the meaning of that Act, after December 31, 1978, or, in the case of any company which becomes, as a result of the enactment of the Bank Holding Company Act Amendments of 1970, a bank holding company on December 31, 1970, after December 31, 1980, retain direct or indirect ownership or control of any voting shares of any company which is not a bank or bank holding company or engage in any activities other than (A) those of banking or of managing or controlling banks and other subsidiaries authorized under this chapter or of furnishing services to or performing services for its subsidiaries, and (B) those permitted under paragraph (8) of subsection (c) of this section subject to all the conditions specified in such paragraph or in any order or regulation issued by the Board under such paragraph: *Provided*, That a company covered in 1970 may also engage in those activities in which directly or through a subsidiary (i) it was lawfully engaged on June 30, 1968 (or on a date subsequent to June 30, 1968 in the case of activities carried on as the result of the acquisition by such company or subsidiary, pursuant to a binding written contract entered into on or before June 30, 1968, of another company engaged in such activities at the time of the acquisition), and (ii) it has been continuously engaged since June 30, 1968 (or such subsequent date). The Board by order, after opportunity for hearing, may terminate the authority conferred by the preceding proviso on any company to engage directly or through a subsidiary in any activity otherwise permitted by that proviso if it determines, having due regard to the purposes of this chapter, that such action is necessary to prevent undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices; and in the case of any such company controlling a bank having bank assets in excess of $60,000,000 on or after December 31, 1970, the Board shall determine, within two years after such date (or, if later, within two years after the date on which the bank assets first exceed $60,000,000), whether the authority conferred by the preceding proviso with respect to such company should be terminated as provided in this sentence. Nothing in this paragraph shall be construed to authorize any bank holding company referred to in the preceding proviso, or any subsidiary thereof, to engage in activities authorized by that proviso through the acquisition, pursuant to a contract entered into after June 30, 1968, of any interest in or the assets of a going concern engaged in such activities. Any company which is authorized to engage in any activity pursuant to the preceding proviso or subsection (d) of this section but, as a result of action of the Board, is required to terminate such activity may (notwithstanding any otherwise applicable time limit prescribed in this paragraph) retain the ownership or control of shares in any company carrying on such activity for a period of ten years from the date on which its authority was so terminated by the Board. Notwithstanding any other provision of this paragraph, if any company that became a bank holding company as a result of the enactment of the Competitive Equality Amendments of 1987 acquired, between March 5, 1987, and August 10, 1987, an institution that became a bank as a result of the enactment of such Amendments, that company shall, upon the enactment of such Amendments, immediately come into compliance with the requirements of this chapter.

The Board is authorized, upon application by a bank holding company, to extend the two year period referred to in paragraph (2) above from time to time as to such bank holding company for not more than one year at a time, if, in its judgment, such an extension would not be detrimental to the public interest, but no such extensions shall in the aggregate exceed three years. Notwithstanding any other provision of this chapter, the period ending December 31, 1980, referred to in paragraph (2) above, may be extended by the Board of Governors to Decem-