

nancing of existing debt, securitization and debt conversion techniques, discounted debt repurchases, and the International Debt Management Authority described in section 5331 of this title no later than 1 year after August 23, 1988.

(Pub. L. 100-418, title III, § 3113, Aug. 23, 1988, 102 Stat. 1378.)

SUBCHAPTER III—PRIMARY DEALERS

§ 5341. Short title

This subchapter may be cited as the “Primary Dealers Act of 1988”.

(Pub. L. 100-418, title III, § 3501, Aug. 23, 1988, 102 Stat. 1386.)

§ 5342. Requirement of national treatment in underwriting government debt instruments

(a) Findings

The Congress finds that—

(1) United States companies can successfully compete in foreign markets if they are given fair access to such markets;

(2) a trade surplus in services could offset the deficit in manufactured goods and help lower the overall trade deficit significantly;

(3) in contrast to the barriers faced by United States firms in Japan, Japanese firms generally have enjoyed access to United States financial markets on the same terms as United States firms; and

(4) United States firms seeking to compete in Japan face or have faced a variety of discriminatory barriers effectively precluding such firms from fairly competing for Japanese business, including—

(A) limitations on membership on the Tokyo Stock Exchange;

(B) high fixed commission rates (ranging as high as 80 percent) which must be paid to members of the exchange by nonmembers for executing trades;

(C) unequal opportunities to participate in and act as lead manager for equity and bond underwritings;

(D) restrictions on access to automated teller machines;

(E) arbitrarily applied employment requirements for opening branch offices;

(F) long delays in processing applications and granting approvals for licenses to operate; and

(G) restrictions on foreign institutions’ participation in Ministry of Finance policy advisory councils.

(b) Designation of certain persons as primary dealers prohibited

(1) General rule

Neither the Board of Governors of the Federal Reserve System nor the Federal Reserve Bank of New York may designate, or permit the continuation of any prior designation of, any person of a foreign country as a primary dealer in government debt instruments if such foreign country does not accord to United States companies the same competitive opportunities in the underwriting and distribution of government debt instruments issued by

such country as such country accords to domestic companies of such country.

(2) Certain prior acquisitions excepted

Paragraph (1) shall not apply to the continuation of the prior designation of a company as a primary dealer in government debt instruments if—

(A) such designation occurred before July 31, 1987; and

(B) before July 31, 1987—

(i) control of such company was acquired from a person (other than a person of a foreign country) by a person of a foreign country; or

(ii) in conjunction with a person of a foreign country, such company informed the Federal Reserve Bank of New York of the intention of such person to acquire control of such company.

(c) Exception for countries having or negotiating bilateral agreements with United States

Subsection (b) shall not apply to any person of a foreign country if—

(1) that country, as of January 1, 1987, was negotiating a bilateral agreement with the United States under the authority of section 2112(b)(4)(A) of title 19; or

(2) that country has a bilateral free trade area agreement with the United States which entered into force before January 1, 1987.

(d) “Person of a foreign country” defined

For purposes of this section, a person is a “person of a foreign country” if that person, or any other person which directly or indirectly owns or controls that person, is a resident of that country, is organized under the laws of that country, or has its principal place of business in that country.

(e) Effective date

This section shall take effect 12 months after August 23, 1988.

(Pub. L. 100-418, title III, § 3502, Aug. 23, 1988, 102 Stat. 1386.)

SUBCHAPTER IV—FINANCIAL REPORTS

§ 5351. Short title

This subchapter may be cited as the “Financial Reports Act of 1988”.

(Pub. L. 100-418, title III, § 3601, Aug. 23, 1988, 102 Stat. 1387.)

§ 5352. Quadrennial reports on foreign treatment of United States financial institutions

Not less frequently than every 4 years, beginning December 1, 1990, the Secretary of the Treasury, in conjunction with the Secretary of State, the Board of Governors of the Federal Reserve System, the Comptroller of the Currency, the Federal Deposit Insurance Corporation, the Securities and Exchange Commission, and the Department of Commerce, shall report to the Congress on (1) the foreign countries from which foreign financial services institutions have entered into the business of providing financial services in the United States, (2) the kinds of financial services which are being offered, (3) the