

MEMO# 7287

September 20, 1995

JOINT BANK AGENCY INTERPRETATION OF INTERAGENCY STATEMENT

September 20, 1995 TO: BANK BROKER/DEALER ADVISORY COMMITTEE No. 22-95
OPERATIONS COMMITTEE No. 26-95 TRANSFER AGENT ADVISORY COMMITTEE No. 47-95 RE:
JOINT BANK AGENCY INTERPRETATION OF INTERAGENCY STATEMENT

As you may recall, the Institute has written to the Office of the Comptroller of the Currency to express our concern about an OCC interpretation of the Interagency Statement on Retail Sales of Nondeposit Investment Products. The OCC had concluded that the Interagency Statement disclosures must appear on any confirmation statement for nondeposit products if the name of a bank or its affiliate appeared on the statement. We are pleased to report that the OCC apparently has reversed this position. In the attached interpretive statement, the OCC, the Office of Thrift Supervision, the Board of Governors of the Federal Reserve System, and the Federal Deposit Insurance Corporation announced, "third party vendors not affiliated with the depository institution need not make the Interagency Statement disclosures on nondeposit investment product confirmations and in account statements that may incidentally, with a valid business purpose, contain the name of the depository institution." The interpretive statement also announced that: the Interagency Statement generally does not apply to fiduciary accounts administered by a bank or an affiliated trust company, but the Interagency Statement disclosures should be provided to noninstitutional clients who direct investments for their fiduciary accounts, such as self-directed individual retirement accounts; the Interagency Statement does not apply to certain custodial account activities of depository institutions; the Interagency Statement applies to sales by affiliated broker-dealers when they occur in a bank lobby or result from a bank's referral of retail customers; the Interagency Statement disclosure need not be provided in radio broadcasts of 30 seconds or less, "electronic signs," and signs used only as location indicators; and shorter, logo format disclosure may be used in certain cases. Diane M. Butler Thomas M. Selman
Director - Operations & Fund Custody Associate Counsel Attachment

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