

**MEMO# 8012**

June 28, 1996

# **INSTITUTE COMMENT LETTER ON PROPOSED AMENDMENTS TO FDIC RECORDKEEPING AND CONFIRMATION RULES**

1 See Memorandum to Bank Investment Management Members No. 10-96 (June 3, 1996).  
June 28, 1996 TO: BANK AND TRUST ADVISORY COMMITTEE No. 22-96 RE: INSTITUTE  
COMMENT LETTER ON PROPOSED AMENDMENTS TO FDIC RECORDKEEPING AND  
CONFIRMATION RULES

---

As we previously reported, the Federal Deposit Insurance Corporation recently issued an advance notice of proposed rulemaking with respect to its recordkeeping and confirmation rules.<sup>1</sup> The Institute submitted the attached comment letter to the FDIC on its release. The FDIC's rules currently impose various recordkeeping and confirmation requirements with respect to securities transactions that are effected on behalf of customers of state nonmember banks, and require banks to adopt written procedures concerning such matters as the allocation of trades among clients and the crossing of buy and sell orders. In its advance notice, the FDIC asked for comment on these rules. In response, the Institute's letter states that the rules overlap with existing securities regulation and that this overlap can create a competitive imbalance for banks and confusion for bank customers. For these reasons, the Institute urges the federal bank regulatory agencies to exempt from their confirmation statement and securities trading requirements any securities transaction that is subject to the federal securities laws. The Institute's letter notes that the FDIC's rules already except securities transactions that are subject to the regulations of the Municipal Securities Rulemaking Board. The Institute's letter recommends that this exception be broadened, by amending the rules to read as follows, "Activities of a bank that are subject to regulations promulgated by the Securities and Exchange Commission, the National Association of Securities Dealers, Inc., the Municipal Securities Rulemaking Board, or any national securities exchange shall not be subject to the requirements of this part." Diane M. Butler  
Director - Operations & Fund Custody Attachment

---

**Source URL:** <https://icinew-stage.ici.org/memo-8012>

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.