complete classification of this Act to the Code, see
Short Title note set out under section 2901 of this title
and Tables.

Codification

Section was enacted as part of the Riegle-Neal Inter-
state Banking and Branching Efficiency Act of 1994,
and not as part of the Federal Deposit Insurance Act
which comprises this chapter.

Amendments

1999—Subsec. (e)(4). Pub. L. 106–102 inserted before pe-
riod at end “and any branch of a bank controlled by an
out-of-State bank holding company (as defined in sec-
ction 1841(o)(7) of this title”).

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.

Chapter 17—Bank Holding Companies

Sec.

1841. Definitions.

1842. Acquisition of shares of any asset.

(a) Prior approval of Board as necessary; exceptions; disposition, time exten-
sion; subsequent approval or dis-
position upon disapproval.

(b) Application for approval; notice to
Comptroller of Currency or State
authority; views and recommenda-
tions; disapproval; hearing; order of
Board; nonaction deemed grant of
application; procedure in emer-
gencies or probable failures requir-
ing immediate Board action and or-
ders.

(c) Factors for consideration by Board.

(d) Exemption of company controlling
shares of any company except a
bank or bank holding company.

(e) Voluntary liquidation and merger
or consolidation including as a part
of such merger or consolidation, the
acquisition of the assets or shares
of another company.

(f) Repealed.

(g) Mutual bank holding company.

(a) Ownership or control of voting shares
of any company not a bank; engage-
ment in activities other than bank-
ing.

(b) Statement purporting to represent
shares of any company except a
bank or bank holding company.

(c) Exemptions.

(d) Exemption of company controlling
one bank prior to July 1, 1968.

(e) Divestiture of nonexempt shares.

(f) Certain companies not treated as
bank holding companies.

(g) Limitations on certain banks.

(h) Tying provisions.

(i) Acquisition of savings associations.

(j) Notice procedures for nonbanking ac-
tivities.

(k) Engaging in activities that are finan-
cial in nature.

(l) Conditions for engaging in expanded
financial activities.

(m) Provisions applicable to financial
holding companies that fail to meet
certain requirements.

(n) Authority to retain limited non-
financial activities and affiliations.

(o) Regulation of certain financial hold-
ing companies.

1843. Interests in nonbanking organizations.

(a) Ownership or control of voting shares
of any company not a bank; engage-
ment in activities other than bank-
ing.

(b) Statement purporting to represent
shares of any company except a
bank or bank holding company.

(c) Exemptions.

(d) Exemption of company controlling
one bank prior to July 1, 1968.

(e) Divestiture of nonexempt shares.

(f) Certain companies not treated as
bank holding companies.

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tivities.

(k) Engaging in activities that are finan-
cial in nature.

(l) Conditions for engaging in expanded
financial activities.

(m) Provisions applicable to financial
holding companies that fail to meet
certain requirements.

(n) Authority to retain limited non-
financial activities and affiliations.

(o) Regulation of certain financial hold-
ing companies.

1844. Administration.

(a) Registration of bank holding com-
pany.

(b) Regulations and orders.

(c) Reports and examinations.
or indirectly owns, controls, or has power to vote less than 5 percent of any class of voting securities of a given bank or company does not have control over that bank or company.

(4) In any administrative or judicial proceeding under this chapter, other than a proceeding under paragraph (2)(C) of this subsection, a company may not be held to have had control over any given bank or company at any given time unless that company, at the time in question, directly or indirectly owned, controlled, or had power to vote 5 percent or more of any class of voting securities of the bank or company, or had already been found to have control in a proceeding under paragraph (2)(C).

(5) Notwithstanding any other provision of this subsection—

(A) No bank and no company owning or controlling voting shares of a bank is a bank holding company by virtue of its ownership or control of shares in a fiduciary capacity, except as provided in paragraphs (2) and (3) of subsection (g) of this section. For the purpose of the preceding sentence, bank shares shall not be deemed to have been acquired in a fiduciary capacity if the acquiring bank or company has sole discretionary authority to exercise voting rights with respect thereto; except that this limitation is applicable in the case of a bank or company acquiring such shares prior to December 31, 1970, only if the bank or company has the right consistent with its obligations under the instrument, agreement, or other arrangement establishing the fiduciary relationship to divest itself of such voting rights and fails to exercise that right to divest within a reasonable period not to exceed one year after December 31, 1970.

(B) No company formed for the sole purpose of participating in a proxy solicitation is a bank holding company by virtue of its control of voting rights of shares acquired in the course of such solicitation.

(C) No company is a bank holding company by virtue of its ownership or control of shares acquired in securing or collecting a debt previously contracted in good faith, until two years after the date of acquisition. The Board is authorized upon application by a company to extend, from time to time for not more than one year at a time, the two-year period referred to herein for disposing of any shares acquired by a company 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.

(D) No company is a bank holding company by virtue of its ownership or control of shares acquired in securing or collecting a debt which—

(i) is wholly owned by 1 or more thrift institutions or savings banks; and

(ii) is restricted to accepting—

(I) deposits from thrift institutions or savings banks;

(II) deposits arising out of the corporate business of the thrift institutions or savings banks that own the bank or trust company; or

(III) deposits of public moneys.

(E) No trust company or mutual savings bank which is an insured bank under the Federal Deposit Insurance Act [12 U.S.C. 1811 et seq.] is a bank holding company by virtue of its direct or indirect ownership or control of one bank located in the same State, if (i) such ownership or control existed on December 31, 1970, authorized by applicable State law, and (ii) the trust company or mutual savings bank does not after that date acquire an interest in any company that, together with any other interest it holds in that company, will exceed 5 percent of any class of the voting shares of that company, except that this limitation shall not be applicable to investments of the trust company or mutual savings bank, direct and indirect, which are otherwise in accordance with the limitations applicable to national banks under section 24 of this title.

(6) For the purposes of this chapter, any successor to a bank holding company shall be deemed to be a bank holding company from the date on which the predecessor company became a bank holding company.

(b) “Company” means any corporation, partnership, business trust, association, or similar organization, or any other trust unless by its terms it must terminate within twenty-five years or not later than twenty-one years and ten months after the death of individuals living on the effective date of the trust but shall not include any corporation the majority of the shares of which are owned by the United States or by any State, and shall not include a qualified family partnership. “Company covered in 1970” means a company which becomes a bank holding company as a result of the enactment of the Bank Holding Company Act Amendments of 1970 and which would have been a bank holding company on June 30, 1968, if those amendments had been enacted on that date.

(c) BANK DEFINED.—For purposes of this chapter—

(1) IN GENERAL.—Except as provided in paragraph (2), the term “bank” means any of the following:

(A) An insured bank as defined in section 3(h) of the Federal Deposit Insurance Act [12 U.S.C. 1813(h)].

(B) An institution organized under the laws of the United States, any State of the United States, the District of Columbia, any territory of the United States, Puerto Rico, Guam, American Samoa, or the Virgin Islands which both—

(i) accepts demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties or others; and

(ii) is engaged in the business of making commercial loans.

(2) EXCEPTIONS.—The term “bank” does not include any of the following:
(A) A foreign bank which would be a bank within the meaning of paragraph (1) solely because such bank has an insured or uninsured branch in the United States.

(B) An insured institution (as defined in subsection (j) of this section).

(C) An organization that does not do business in the United States except as an incident to its activities outside the United States.

(D) An institution that functions solely in a trust or fiduciary capacity, if—

(i) all or substantially all of the deposits of such institution are in trust funds and are received in a bona fide fiduciary capacity;

(ii) no deposits of such institution which are insured by the Federal Deposit Insurance Corporation are offered or marketed by or through an affiliate of such institution;

(iii) such institution does not accept demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties or others or make commercial loans; and

(iv) such institution does not—

(I) obtain payment or payment related services from any Federal Reserve bank, including any service referred to in section 11A of the Federal Reserve Act [12 U.S.C. 248a]; or

(II) exercise discount or borrowing privileges pursuant to section 19(b)(7) of the Federal Reserve Act [12 U.S.C. 461(b)(7)].


(F) An institution, including an institution that accepts collateral for extensions of credit by holding deposits under $100,000, and by other means which—

(i) engages only in credit card operations;

(ii) does not accept demand deposits or deposits that the depositor may withdraw by check or similar means for payment to third parties or others;

(iii) does not accept any savings or time deposit of less than $100,000;

(iv) maintains only one office that accepts deposits; and

(v) does not engage in the business of making commercial loans.

(G) An organization operating under section 25 or section 25(a) of the Federal Reserve Act.

(H) An industrial loan company, industrial bank, or other similar institution which is—

(i) an institution organized under the laws of a State which, on March 5, 1987, had in effect or had under consideration in such State’s legislature a statute which required or would require such institution to obtain insurance under the Federal Deposit Insurance Act [12 U.S.C. 1811 et seq.]—

(I) which does not accept demand deposits that the depositor may withdraw by check or similar means for payment to third parties;

(II) which has total assets of less than $100,000,000; or

(III) the control of which is not acquired by any company after August 10, 1987; or

(ii) an institution which does not, directly, indirectly, or through an affiliate, engage in any activity in which it was not lawfully engaged as of March 5, 1987, except that this subparagraph shall cease to apply to any institution which permits any overdraft (including any intraday overdraft), or which incurs any such overdraft in such institution’s account at a Federal Reserve bank, on behalf of an affiliate if such overdraft is not the result of an inadvertent computer or accounting error that is beyond the control of both the institution and the affiliate, or that is otherwise permissable for a bank controlled by a company described in section 1843(f)(1) of this title.

(1) The Investors Fiduciary Trust Company, located in Kansas City, Missouri, so long as such institution—

(i) engages only in trust, fiduciary, and agency activities in which it was lawfully engaged on March 5, 1987;

(ii) engages in such activities only at the same number of locations at which such activities were conducted on such date;

(iii) does not accept demand deposits other than demand deposits which are maintained by such institution in—

(I) a trust or fiduciary capacity;

(II) the institution’s capacity as a custodian or as a paying, transfer, shareholder servicing, securities clearing, escrow, or dividend disbursing agent; or

(III) any capacity which is incidental to the trust or fiduciary activities of the institution;

(iv) does not engage in the business of making commercial loans;

(v) does not exercise discount or borrowing privileges pursuant to section 19(b)(7) of the Federal Reserve Act [12 U.S.C. 461(b)(7)]; and

(vi) is not directly or indirectly controlled by any company other than a company which directly or indirectly controlled such institution on March 5, 1987.

(J) A savings bank (as defined in section 3(g) of the Federal Deposit Insurance Act [12 U.S.C. 1813(g)]) which—

(i) is an insured bank (as defined in section 3(h) of such Act [12 U.S.C. 1813(h)]);

(ii) is a subsidiary of the Great Western Financial Corporation as a result of an approval in writing by the State bank supervisor of the State of New York before June 30, 1987; or

(iii) meets or exceeds the investment requirements which an insured institution must meet in order to be a qualified thrift lender under section 1730a(o) of this title; and

1 See References in Text note below.
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(iv) does not, directly, or through insurance products such savings bank receives from or provides to the Great Western Financial Corporation, engage in the sale or underwriting of insurance,

except that this subparagraph shall cease to apply with respect to such savings bank or any successor institution if any deposits of any other subsidiary or affiliate of the Great Western Financial Corporation which are subject to an assessment of an insurance premium under subsection (b) or (c) of section 1727 of this title are, directly or indirectly by any device whatsoever, transferred to or acquired by such savings bank or any successor institution which would have the effect of materially reducing such premium assessments. The exemption provided by this subparagraph shall cease to apply if Great Western Financial Corporation uses such savings bank or any successor institution as a vehicle to move such Corporation from Federal Savings and Loan Insurance Corporation insurance to Federal Deposit Insurance Corporation insurance.

(d) “Subsidiary”, with respect to a specified bank holding company, means (1) any company 25 per centum or more of whose voting shares (excluding shares owned by the United States or by any company wholly owned by the United States) is directly or indirectly owned or controlled by such bank holding company, or is held by it with power to vote; (2) any company the election of a majority of whose directors is controlled in any manner by such bank holding company; or (3) any company with respect to the management of policies of which such bank holding company has the power, directly or indirectly, to exercise a controlling influence, as determined by the Board, after notice and opportunity for hearing.

(e) The term “successor” shall include any company which acquires directly or indirectly from a bank holding company shares of any bank, when and if the relationship between such company and the bank holding company is such that the transaction effects no substantial change in the control of the bank or beneficial ownership of such shares of such bank. The Board may, by regulation, further define the term “successor” to the extent necessary to prevent evasion of the purposes of this chapter.

(f) “Board” means the Board of Governors of the Federal Reserve System.

(g) For the purposes of this chapter—

(1) shares owned or controlled by any subsidiary of a bank holding company shall be deemed to be indirectly owned or controlled by such bank holding company; and

(2) shares held or controlled directly or indirectly by trustees for the benefit of (A) a company, (B) the shareholders or members of a company, or (C) the employees (whether exclusively or not) of a company, shall be deemed to be controlled by such company.

(5) No domestic banking office or bank subsidiary of a bank holding company that controls a section 2(h)(2) company may offer or market products or services of such section 2(h)(2) company, unless such products or services were being so offered or marketed as of March 5, 1987, and then only in the same manner in which they were being offered or marketed as of that date.

(i) Thrift Institution.—For purposes of this chapter, the term “thrift institution” means—

(1) any domestic building and loan or savings and loan association;

(2) any cooperative bank without capital stock organized and operated for mutual purposes and without profit;

(3) any Federal savings bank; and

(4) any State-chartered savings bank the holding company of which is registered pursuant to section 1730a of this title.

(j) Definition of Savings Associations and Related Term.—The term “savings association” or “insured institution” means—

(1) any Federal savings association or Federal savings bank;

(2) any building and loan association, savings and loan association, homestead association, or cooperative bank if such association or cooperative bank is a member of the Savings Association Insurance Fund; and

(3) any savings bank or cooperative bank which is deemed by the Director of the Office

See References in Text note below.
of Thrift Supervision to be a savings association under section 1467a(l) of this title.

(k) AFFILIATE.—For purposes of this chapter, the term “affiliate” means any company that controls, is controlled by, or is under common control with another company.

(l) SAVINGS BANK HOLDING COMPANY.—For purposes of this chapter, the term “savings bank holding company” means any company which controls one or more qualified savings banks if the aggregate total assets of such savings banks constitute, upon formation of the holding company and at all times thereafter, at least 70 percent of the total assets of such company.

(m) QUALIFIED SAVINGS BANK.—For purposes of this chapter, the term “qualified savings bank”:

(1) means any savings bank (as defined in section 3(g) of the Federal Deposit Insurance Act [12 U.S.C. 1813(g)]) which was organized on or before March 5, 1987; and

(2) includes any cooperative bank that is an insured bank (as defined in section 3(b) of the Federal Deposit Insurance Act [12 U.S.C. 1813(h)]) and any interim savings bank that is established to facilitate a corporate reorganization, or the formation of a holding company, involving a savings bank described in paragraph (1).

(n) INCORPORATED DEFINITIONS.—For purposes of this chapter, the terms “depository institution”, “insured depository institution”, “appropriate Federal banking agency”, “default”, “in danger of default”, and “State bank supervisor” have the same meanings as in section 3 of the Federal Deposit Insurance Act [12 U.S.C. 1813].

(1) CAPITAL TERMS.—

(A) INSURED DEPOSITORY INSTITUTIONS.—With respect to insured depository institutions, the terms “well capitalized”, “adequately capitalized”, and “undercapitalized” have the same meanings as in section 38 of the Federal Deposit Insurance Act [12 U.S.C. 1831a].

(B) BANK HOLDING COMPANY.—

(i) ADEQUATELY CAPITALIZED.—With respect to a bank holding company, the term “adequately capitalized” means a level of capitalization which meets or exceeds all applicable Federal regulatory capital standards.

(ii) WELL CAPITALIZED.—A bank holding company is “well capitalized” if it meets the required capital levels for well capitalized bank holding companies established by the Board.

(C) OTHER CAPITAL TERMS.—The terms “Tier 1” and “risk-weighted assets” have the meanings given those terms in the capital guidelines or regulations established by the Board for bank holding companies.

(2) ANTITRUST LAWS.—Except as provided in section 1849 of this title, the term “antitrust laws”:

(A) has the same meaning as in subsection (a) of section 12 of title 15; and

(B) includes section 45 of title 15 to the extent that such section 45 relates to unfair methods of competition.

(3) BRANCH.—The term “branch” means a domestic branch (as defined in section 3 of the Federal Deposit Insurance Act [12 U.S.C. 1813]).

(4) HOME STATE.—The term “home State” means—

(A) with respect to a national bank, the State in which the main office of the bank is located;

(B) with respect to a State bank, the State by which the bank is chartered; and

(C) with respect to a bank holding company, the State in which the total deposits of all banking subsidiaries of such company are the largest on the later of—

(i) July 1, 1966; or

(ii) the date on which the company becomes a bank holding company under this chapter.

(5) HOST STATE.—The term “host State” means—

(A) with respect to a bank, a State, other than the home State of the bank, in which the bank maintains, or seeks to establish and maintain, a branch; and

(B) with respect to a bank holding company, a State, other than the home State of the company, in which the company controls, or seeks to control, a bank subsidiary.

(6) OUT-OF-STATE BANK.—The term “out-of-State bank” means, with respect to any State, a bank whose home State is another State.

(7) OUT-OF-STATE BANK HOLDING COMPANY.—The term “out-of-State bank holding company” means, with respect to any State, a bank holding company whose home State is another State.

(8) LEAD INSURED DEPOSITORY INSTITUTIONS.—(A) IN GENERAL.—The term “lead insured depository institution” means the largest insured depository institution controlled by the subject bank holding company at any time, based on a comparison of the average total risk-weighted assets controlled by each insured depository institution during the previous 12-month period.

(B) BRANCH OR AGENCY.—For purposes of this paragraph and section 1843(j)(4) of this title, the term “insured depository institution” includes any branch or agency operated in the United States by a foreign bank.

(9) WELL MANAGED.—The term “well managed” means—

(A) in the case of any company or depository institution which receives examinations, the achievement of—

(i) a CAMEL composite rating of 1 or 2 (or an equivalent rating under an equivalent rating system) in connection with the most recent examination or subsequent review of such company or institution; and

(ii) at least a satisfactory rating for management, if such rating is given; or

(B) in the case of a company or depository institution that has not received an examination rating, the existence and use of managerial resources which the Board determines are satisfactory.

(10) QUALIFIED FAMILY PARTNERSHIP.—The term “qualified family partnership” means a
general or limited partnership that the Board determines—
(A) does not directly control any bank, except through a registered bank holding company;
(B) does not control more than 1 registered bank holding company;
(C) does not engage in any business activity, except indirectly through ownership of other business entities;
(D) has no investments other than those permitted for a bank holding company pursuant to section 1843(c) of this title;
(E) is not obligated on any debt, either directly or as a guarantor;
(F) has partners, all of whom are either—
(i) individuals related to each other by blood, marriage (including former marriage), or adoption; or
(ii) trusts for the primary benefit of individuals related as described in clause (i); and
(G) has filed with the Board a statement that includes—
(i) the basis for the eligibility of the partnership under subparagraph (F);
(ii) a list of the existing activities and investments of the partnership;
(iii) a commitment to comply with this paragraph;
(iv) a commitment to comply with section 7 of the Federal Deposit Insurance Act [12 U.S.C. 1817] with respect to any acquisition of control of an insured depository institution occurring after September 30, 1996; and
(v) a commitment to be subject, to the same extent as if the qualified family partnership were a bank holding company—
(I) to examination by the Board to assure compliance with this paragraph; and
(II) to section 8 of the Federal Deposit Insurance Act [12 U.S.C. 1818].

(p) Financial Holding Company.—For purposes of this chapter, the term ‘‘financial holding company’’ means a bank holding company that meets the requirements of section 1843(h)(1) of this title.

(q) Insurance Company.—For purposes of sections 1843 and 1844 of this title, the term ‘‘insurance company’’ includes any person engaged in the business of insurance to the extent of such activities.

Sec. 1841. Amendment of Title 12


§ 1841. Amendment of Title 12—BANKS AND BANKING

Page 1172

The Federal Deposit Insurance Corporation, referred to in this section, was renumbered generally to chapter 16 (§611 et seq.) of this title after ``by any State''.

The Federal Deposit Insurance Act, referred to in subsection (a)(6)(F), is classified to subchapter I (§651 et seq.) of chapter 6 of this title.

This chapter, referred to in subsec. (a)(1), (4), (c), and (g) to (p), was in the original "this Act", meaning act May 9, 1956, ch. 240, 70 Stat. 133, as amended, known as the Bank Holding Company Act of 1956, which enacted this chapter and sections 1101 to 1105 of Title 12, Internal Revenue Code, and enacted provisions set out as notes under this section. For complete classification of this Act to the Code, see Short Title note set out below and Tables.

This chapter, referred to in subsec. (a)(1), (4), (c), and (g) to (p), was in the original "this Act", meaning act May 9, 1956, ch. 240, 70 Stat. 133, as amended, known as the Bank Holding Company Act of 1956, which enacted this chapter and sections 1101 to 1105 of Title 12, Internal Revenue Code, and enacted provisions set out as notes under this section. For complete classification of this Act to the Code, see Short Title note set out below and Tables.

The Federal Deposit Insurance Corporation, referred to in this section, was renumbered generally to chapter 16 (§611 et seq.) of this title. For classification of this Act to the Code, see Short Title note set out under section 1811 of this title and Tables.


Section 25 of the Federal Reserve Act, referred to in subsection (c)(2)(G), is classified to subchapter I (§651 et seq.) of chapter 6 of this title. Section 25(a) of the Federal Reserve Act, which is classified to subchapter II (§611 et seq.) of chapter 6 of this title, was renumbered section 25A of that act by Pub. L. 92-147, Aug. 10, 1971, 85 Stat. 228.

Sections 1727 and 1730a of this title, referred to in subsections (c)(2)(J) and (2)(L), were repealed by Pub. L. 101-73, title IV, § 407, Aug. 9, 1989, 103 Stat. 363.

A section 2(h)(2) company, referred to in subsection (h)(3) to (5), is defined in subsection (h)(2) of this section.

Amendments


1999—Subsec. (a)(5)(E)(i). Pub. L. 106-102, § 724, inserted "1 or more’’ before ‘‘thrift institutions’’.

1996—Subsec. (c)(3)(A). Pub. L. 104-208 inserted "depository institution'’, after "the terms’’.

1995—Subsec. (c)(1)(A). Pub. L. 104-208, § 2610(c), inserted "and shall not include a qualified family partnership’’ after ‘‘by any State’’.

1994—Subsec. (c)(2)(F). Pub. L. 104-208, § 2304(b), inserted "including an institution that accepts collateral for extensions of credit by holding deposits under $100,000, and by other means’’ after ‘‘An institution’’ in introductory provisions.

1993—Subsec. (g)(3). Pub. L. 104-208, § 2307, struck out par. (3) which read as follows: ‘‘shares transferred after January 1, 1996, by any bank holding company (or by any company which, but for such transfer, would be a bank holding company) directly or indirectly to any transferee that is indebted to the transferor, or has one or
more officers, directors, trustees, or beneficiaries in common with or subject to control by the transferor, shall be deemed to be indirectly owned or controlled by the transferor unless the Board, after opportunity for a hearing, determines that the transferor is not in fact capable of controlling the transferee."

Subsec. (j)(2). Pub. L. 101–80, § 2205(b)(1), added heading and text of par. (1), and struck out heading and text of former par. (1). Text read as follows: "The term 'adequately capitalized' means a level of capitalization which meets or exceeds all applicable Federal regulatory capital standards."


1994—Subsecs. (n) to (o). Pub. L. 103–323 added subsec. (o)."
expressly excluded, and inserted definition of “company covered in 1970”.
Subsec. (c). Pub. L. 91–607, § 101(c), redefined term “bank” to mean any institution organized under Fed-
eral, State, District of Columbia, etc., laws, designated
existing provisions as cl. (1), added cl. (2), and excepted from exclusion from such term an organization which
does business in the United States as an incident to
its activities outside the United States.
1966—Subsec. (a). Pub. L. 89–485, § 1, struck out provi-
sion placing within the classification of bank holding
company any company for the benefit of whose share-
holders or members 25 per centum or more of the vot-
ing shares
of each of two or more banks or a bank hold-
ing company is held by trustees, struck out provision
excluding from classification as bank holding compa-
nies any companies that are registered under the In-
vestment Company Act of 1940, and were so registered
prior to May 15, 1955 (or which is affiliated with any
such company in such manner as to constitute an affili-
ated company within the meaning of that Act), unless
that company (or affiliated company), as the case may
be, directly owns 25 per centum or more of the voting
shares of each of two or more banks, struck out provi-
sion exempting from classification as bank holding companies any companies having 80 per centum or
more of their total assets composed of holdings in the
field of agriculture, substituted voting shares for
shares in the description of the securities the owner-
ship or control of which, in a fiduciary capacity, would
be exempted from causing the formation of a bank
holding company “company” to “bank” as the
business entities eligible for the fiduciary ownership
exemption, and inserted reference in the fiduciary own-
ership exemption to pars. (2) and (3) of subsec. (g) of
this section.
Subsec. (b). Pub. L. 89–485, § 2, exempted from defini-
tion of “company” any trust which by its terms must
terminate within twenty-five years or not later than
twenty-one years and ten months after the death of in-
dividuals living on the effective date of the trust, and
struck out the exemption formerly granted to non-
profit religious, charitable, and educational organiza-
tions.
Subsec. (c). Pub. L. 89–485, § 3, substituted “any insti-
tution that accepts deposits that the depositor has a
legal right to withdraw on demand” for “any national
banking institution or any state bank, savings bank, or
trust company in the definition of “bank” and ex-
tended the exemption for foreign banking corporations
to include “agreement” foreign banking corporations
Subsec. (d). Pub. L. 89–485, § 4, inserted provision rel-
lating to indirect ownership or control and the holding
of power to vote to direct ownership or control as the
methods by which the holding of 25 per centum or more
of voting shares in a company will qualify that com-
pany as a subsidiary, and struck out provisions under
which any company 25 per centum or more of whose
voting shares are held by trustees for the benefit of the
shareholders or members of a bank holding company
qualifies as a subsidiary.
Subsec. (g). Pub. L. 89–485, §§ 5, 6, substituted provi-
sions setting out treatment to be accorded shares
owned or controlled by subsidiaries of bank holding
companies, shares held or controlled by trustees for the
benefit of companies, shareholders or members of com-
panies, and employees of companies, and shares trans-
ferred after January 1, 1966, by bank holding companies
to transferees that are indebted to the transferee or
have one or more officers, directors, trustees, or bene-
ficiaries in common with the transferor for provisions
defining “agriculture”.

**Effective Date of 2004 Amendment**
and, except as otherwise provided, applicable with re-
spect 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 1321 of this title.

**Effective Date of 1999 Amendment**
Amendment by sections 103(c)(1), 103(c), and 119 of
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 1996 Amendment**
Amendment by section 2704(d)(17) of Pub. L. 104–208
effective Jan. 1, 1999, if no insured depository institu-
tion is a savings association on that date, see section
2704(c) of Pub. L. 104–208, 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.

**Short Title of 1988 Amendment**
1364, provided that: “This subtitle [subtitle E (§§ 3401,
3402) of title III of Pub. L. 100–418, amending section
1843 of this title] may be cited as the ‘Export Trading
Company Act Amendments of 1988’.”

**Short Title of 1982 Amendment**
provided that: “This title [enacting section 635a–4 of
this title, amending sections 372 and 1843 of this title,
and enacting provisions set out as notes under section
1843 of this title] may be cited as the ‘Bank Export
Services Act’.”

**Short Title of 1979 Amendment**
Section 1 of Pub. L. 91–607 provided: “That this Act
[enacting chapter 22 (§ 1971 et seq.) and section 1850 of
this title and sections 324b and 324c of former Title 31,
Money and Finance, amending sections 1641 to 1843 and
1849 of this title and sections 324, 391 of former Title 31,
repealing sections 316 and 458 of former Title 31, enact-
ing provisions set out as notes under sections 372e
and 391 of former Title 31, and amending provisions set
out as a note under section 454–1 of former Title 31] may
be cited as the ‘Bank Holding Company Act Amend-
ments of 1979’.”

**Short Title**
Section 1 of act May 9, 1956, provided: “That this Act
[enacting this chapter and sections 1101 to 1103 of Title
26, Internal Revenue Code] may be cited as the ‘Bank
Holding Company Act of 1956’.”

**Separability**
Section 12 of act May 9, 1956, provided that: “If any
provision of this Act [enacting this chapter and sec-
tions 1101 to 1103 of Title 26, Internal Revenue Code],
or the application of such provision to any person or cir-
cumstance, shall be held invalid, the remainder of the
Act, and the application of such provision to persons or
circumstances other than those to which it is held in-
valid, shall not be affected thereby.”

**Transfer of Functions**
Federal Savings and Loan Insurance Corporation
abolished and functions transferred, see sections 401 to
406 of Pub. L. 101–73, set out as a note under section
1437 of this title.

**Transitional Rule for 1987 Amendment**
Section 101(h) of Pub. L. 100–66 provided that: