

BANKING CODE OF 1999 (EXCERPT)
Act 276 of 1999

CHAPTER 5
FOREIGN BANKS

STRUCTURE

487.15101 State agency or state foreign bank branch; establishment and operation by state foreign bank branch.

Sec. 5101. (1) With the written approval of the commissioner, a foreign bank may establish and operate a state agency or state foreign bank branch in this state if all of the following apply to the foreign bank:

(a) It is authorized by its charter or articles of incorporation to engage in the business of banking.

(b) It has complied with the laws of the foreign country in which it is chartered or incorporated.

(c) In the case of a state agency, the foreign bank does not operate a federal agency in this state.

(d) In the case of a state foreign bank branch, the foreign bank has not previously designated any other state as its home state under the international banking act of 1978.

(2) The commissioner shall examine the information and statements contained in the application submitted under subsection (1) and make any investigation considered necessary regarding the financial and managerial resources of the applicant. The commissioner shall also consider whether there exists an opportunity for a bank having its principal place of business in this state to conduct business in the foreign country in which the applicant is chartered or incorporated.

(3) Upon written notification to the commissioner, a foreign bank authorized by its charter or articles of incorporation to engage in the business of banking, and that has complied with the applicable laws of the jurisdiction in which it is chartered or incorporated, may establish and operate a foreign bank representative office in this state.

History: 1999, Act 276, Eff. Mar. 1, 2000.

487.15102 Conversion of state agency or state foreign bank branch into federal agency or federal branch.

Sec. 5102. (1) A state agency or state foreign bank branch may be converted into a federal agency or federal branch under the international banking act of 1978.

(2) A federal agency or federal branch located in this state may be converted, with the written approval of the commissioner, into a state agency or state foreign bank branch. If the converted state agency or state foreign bank branch succeeds to assets in which it does not have the legal power to invest, or liabilities that it does not have power to incur, those assets or liabilities shall be disposed of within the next 12 calendar months of the date of the conversion, except that the commissioner may extend this period in the interest of an orderly disposition of those assets or liabilities. The disposition period shall not exceed 3 years.

History: 1999, Act 276, Eff. Mar. 1, 2000.

487.15103 Termination of authority to operate state agency or state foreign bank branch.

Sec. 5103. Authority to operate a state agency, state foreign bank branch, or foreign bank representative office shall terminate upon dissolution of the foreign bank, or the commissioner's revocation of the foreign bank's authority to operate in this state. Upon termination of the authority to operate a state agency or state foreign bank branch, the commissioner shall become agent for the foreign bank for service of process and shall exercise the same powers, including the right to appoint a receiver, over the assets and liabilities of the state agency or state foreign bank branch as are permitted over a state chartered bank in liquidation or dissolution under sections 2401 to 2410 and 3301 to 3307.

History: 1999, Act 276, Eff. Mar. 1, 2000.

487.15104 Reports.

Sec. 5104. A foreign bank operating a state agency or state foreign bank branch in this state shall, at the times and in the form prescribed by the commissioner, file with the commissioner reports written in the English language, showing the amount of its assets and liabilities and containing other information requested by the commissioner. A foreign bank that fails to comply with this section is subject to the penalty provided in section 3911.

History: 1999, Act 276, Eff. Mar. 1, 2000.

487.15105 Operations of foreign bank at state foreign bank branch or state agency.

Sec. 5105. (1) Except as otherwise provided in this act or other law of this state, operations of a foreign bank at a state foreign bank branch or state agency shall be conducted with the same rights and privileges and subject to the same duties, restrictions, penalties, liabilities, conditions, and limitations that would apply under this act to a bank doing business at the same location, except that a state agency or an additional office of a state agency shall not accept nor solicit deposits from citizens or residents of the United States or exercise trust powers. Operations of a foreign bank representative office are limited to representational functions.

(2) A foreign bank that operates a state agency or state foreign bank branch is permitted to establish and operate additional offices subject to section 3711. For purposes of section 3711, the principal office of a foreign bank operating under this act shall be its first state agency or state foreign bank branch established in this state.

(3) A state agency or state foreign bank branch shall not be required to become an insured bank, as insured bank is defined in section 3 of the federal deposit insurance act, unless the state foreign bank branch accepts deposits described in section 3 of the federal deposit insurance act.

(4) A foreign bank that operates a state agency or state foreign bank branch in this state shall maintain the accounts and conduct the business of the state agency or state foreign bank branch independently of the accounts and business of the parent foreign bank.

(5) The commissioner may examine the books, accounts, records, and files of the foreign bank that contain information regarding the accounts and business of a state agency, state foreign bank branch, or foreign bank representative office.

History: 1999, Act 276, Eff. Mar. 1, 2000.