

## Comptroller of the Currency Administrator of National Banks

1:

Washington, D.C. 20219

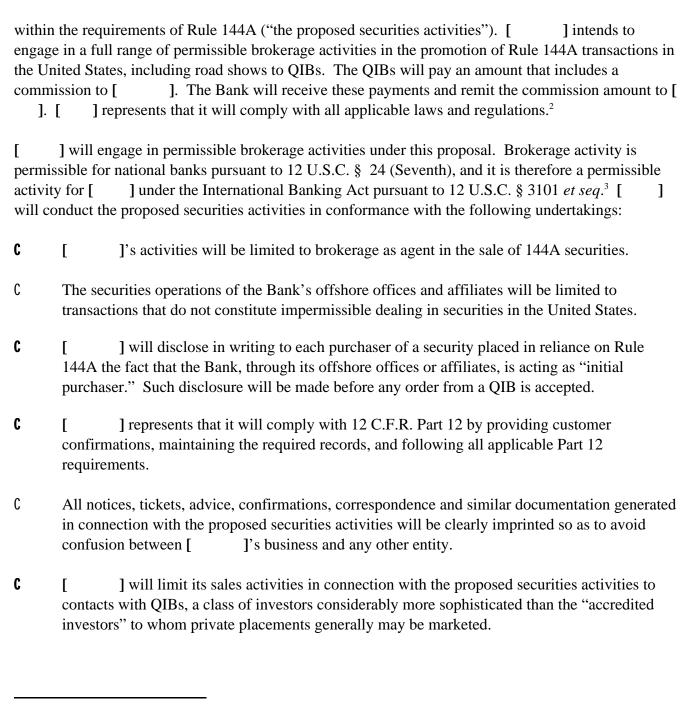
December 8, 1999

Dear [

Interpretive Letter #876 January 2000 12 USC 24(7)

This letter responds to your request on behalf of [	], a federally licensed branch ("
") of [ ] Corporation ("Bank"), an [	Bank. [ ] proposes to act as
agent in brokering certain securities that are held by the	he Bank as principal. Based on the
representations made by [ ] and the undertaking	gs described below, we have no objection to the
proposed activities.	
[ ] is a federally licensed institution located in [	<b>State</b> ] that is supervised by the Office of the
Comptroller of the Currency ("OCC"). The Bank, thr	rough [ ], currently markets, and sells,
derivative, foreign exchange, and fixed income productive	cts to banks, nonbank financial institutions, US
corporations, and money managers. [ ] also pr	rovides financing to US corporations with some
connection to Australia, New Zealand, or Asia. [	] believes the ability to act as agent to
provide U.S. based institutional clients with the full ra	ange of Australian and New Zealand corporate and
government debt securities is necessary to compete, a	and will also serve to provide U.S. institutional
investors with better pricing and greater depth of inve	estment choices.
Under the proposal, the Bank (through its offshore off	fices and affiliates) will act as an initial purchaser
of Australian and New Zealand corporate and governi	ment debt securities, which will be resold
pursuant to Rule 144A under the Securities Act of 193	33. <sup>1</sup> [ ] will sell these securities as agent

<sup>&</sup>lt;sup>1</sup> In a Rule 144A offering, the issuer sells to one or more initial purchasers. Rule 144A permits the initial purchasers to sell securities to qualified institutional buyers ("QIBs"). The definition of QIB includes: (1) certain institutions (e.g. an insurance company, a registered investment company, an employee benefit plan, a registered investment advisor) that own or have under management on a discretionary basis at least \$100 million in securities of unaffiliated issuers, (2) a registered dealer that owns and invests at least \$10 million of securities not affiliated with the issuer, or a registered dealer acting in a riskless principal transaction on behalf of a QIB, and (3) a bank or savings association that owns and invests on a discretionary basis at least \$100 million in securities not affiliated with the issuer and has a net worth of at least \$25 million. If resales by the initial purchasers are in compliance with Rule 144A, the initial purchasers are deemed not to be engaged in a distribution of securities and not to be underwriters under the Securities Act of 1933. 17 C.F.R. § 230.144A.



<sup>&</sup>lt;sup>2</sup> This letter does not express any opinion on the applicability of the federal securities laws to any part of the proposed activity. [ ] has represented that the proposed activities will be structured to comply with all applicable securities laws.

<sup>&</sup>lt;sup>3</sup> The fact that the securities brokered by [ ] will be held by the Bank as principal does not affect the characterization of [ ]'s role as a permissible brokerage activity. This is the case because, under the International Banking Act, [ ] may be deemed as distinct from the Bank for purposes of the proposed activity.

C	The proposed securities activities will in no case involve marketing activities aimed at retail investors or the public at large.
C	[ ] will not purchase for its own account any security with respect to which any of the Bank's offshore offices or affiliates have acted as initial purchaser in a Rule 144A placement.
	on the representations made by [ ] and subject to the undertakings described above, we object to [ ] engaging in the proposed activities.
•	have any questions, please do not hesitate to contact Lee Walzer, Senior Attorney, International ries, at (202) 874-4487, or Nancy Worth, Senior Attorney, Securities and Corporate Practices

Sincerely,

Division, at (202) 874-5210.

Julie L. Williams First Senior Deputy Comptroller and Chief Counsel