

BCG Monthly Telephone Briefing

February 2015

Current Regulatory Expectations for Non-deposit Investment Products

Since the federal banking regulators issued the Interagency Statement on Retail Sales of Non-deposit Investment Products in 1994 (Interagency Statement), the regulatory landscape for financial institutions offering mutual funds, annuities and other non-deposit investment products (NDIPs) has substantially changed. In 1999, the Gramm-Leach-Bliley Act (GLBA) was enacted which eliminated the general bank exemption for these activities and codified certain requirements contained in the Interagency Statement. GLBA also provided 11 specific broker registration exceptions for banks that permit a bank to engage in certain securities transactions. Furthermore, in 2007 the Securities and Exchange Commission and the Federal Reserve Board jointly adopted Regulation R to implement GLBA's bank broker exceptions.

Regulators have also continued to update their examination manuals and handbooks with regard to NDIPs, which provide helpful insights into the regulators' expectations on managing NDIPs. More recently, in January 2015 the Office of the Comptroller of the Currency revised its 168-page examination handbook titled, "Retail Nondeposit Investment Products." It is anticipated that OCC examiners' scrutiny of these products will increase in the near future.

This briefing will cover the Interagency Statement, GLBA's impact on NDIPs, and Regulation R. Additionally, this briefing will discuss insights provided in the OCC Handbook and other regulatory materials with respect to managing NDIPs.

FFIEC Information Technology Examination Handbook Update: Managing Third-party Risk in Business Continuity Planning

The Federal Financial Institutions Examination Council (FFIEC) has released a new appendix, "Strengthening the Resilience of Outsourced Technology Services," to the "Business Continuity Planning" booklet of the FFIEC Information Technology Examination Handbook. "Business Continuity Planning" is one of the 11 booklets comprising the FFIEC IT Examination Handbook. The new appendix ensures that the "Business Continuity Planning" booklet aligns with regulatory guidance on third-party relationship risk management and incorporates emerging risks, such as cybersecurity risk concerns.

We will discuss how the new appendix will impact an institution's business continuity planning, particularly as to risk management of third-party technology service providers, testing with respect to third-party technology service providers and cyber resilience concerns.



BCG Monthly Telephone Briefing

Friday, February 20

12:00 –1:30 p.m.

(with live Q&A)

Presented by

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Aldrich & Bonnefin is hosting a Monthly Telephone Briefing for Bankers' Compliance Group[®] Members on **Friday, February, 20, 2015**. This meeting will be presented live and will include two question and answer sessions. Members can ask questions by telephone or email. Each member that registers for the Monthly Telephone Briefing will be given a password and instructions to call in to the Briefing.

ORGANIZE YOUR PARTICIPANTS

BCG Main or Registration Contacts are encouraged to organize multiple attendees to participate at one location or several locations concurrently. In this manner, several attendees can be accommodated in one conference room with a speakerphone. All Briefing connections are included in your BCG Membership.

REGISTRATION

To register, please contact your institution's BCG Main or Registration Contact or, if authorized, log in at <http://register.bankerscompliancegroup.com/subadmin> and select "Register for Events." Registration closes at noon **one business day** prior to the Briefing date. On the day before the Briefing, registrants will receive an email with call-in instructions and an access code.

CD Package: Members can also register to receive a CD package. This package, which includes any Handouts, is mailed to registrants approximately 2-3 weeks after the Briefing.

DOWNLOAD THE HANDOUTS

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CANCELLATION

It is not necessary for a registrant to contact BCG if they cannot attend a Briefing and need to cancel their registration.

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