Amendments to Regulation Y
Bank Holding Companies
and Change in Bank Control
January 2004*

1. Effective August 4, 2003, section 225.28(b)(8)(ii)(B) is amended to read as follows:

   (ii) Investing and trading activities. * * *
   * * * * *
   (B) forward contracts, options, futures, options on futures, swaps, and similar
   contracts, whether traded on exchanges or not, based on any rate, price, financial
   asset (including gold, silver, platinum, palladium, copper, or any other
   metal approved by the Board), nonfinancial asset, or group of assets,
   other than a bank-ineligible security,9 if—
   (1) a state member bank is autho-
   rized to invest in the asset underlying
   the contract;
   (2) the contract requires cash settle-
   ment;
   (3) the contract allows for assign-
   ment, termination, or offset prior to
   delivery or expiration, and the com-
   pany—
   (i) makes every reasonable effort
   to avoid taking or making delivery
   of the asset underlying the con-
   tract; or
   (ii) receives and instantaneously
   transfers title to the underlying as-
   set, by operation of contract and
   without taking or making physical
   delivery of the asset.

9 A bank-ineligible security is any security that a
state member bank is not permitted to underwrite or
deal in under 12 USC 24 and 335.

2. Effective January 8, 2004, section 225.28(b)(14) is amended to read as follows:

   (14) Data processing.
   (i) Providing data processing, data
   storage, and data transmission ser-
   vices, facilities (including data pro-
   cessing, data storage, and data trans-
   mission hardware, software, docu-
   mentation, or operating personnel),
   databases, advice, and access to such
   services, facilities, or databases by
   any technological means, if—
   (A) the data to be processed,
   stored, or furnished are financial,
   banking, or economic; and
   (B) the hardware provided in con-
   nection therewith is offered only in
   conjunction with software designed
   and marketed for the processing,
   storage, and transmission of financial,
   banking, or economic data,
   and where the general-purpose
   hardware does not constitute more

* A complete Regulation Y, as amended effective January
8, 2004, consists of—
• the regulation pamphlet dated July 2002 (see inside front
  cover) and
• this slip sheet.
Item 2 is new. Item 1 was included in the previous slip
sheet.
than 30 percent of the cost of any packaged offering.

(ii) A company conducting data processing, data storage, and data transmission activities may conduct data processing, data storage, and data transmission activities not described in paragraph (b)(14)(i) of this section if the total annual revenue derived from those activities does not exceed 49 percent of the company’s total annual revenues derived from data processing, data storage, and data transmission activities.