

## Corporate & Financial Weekly Digest

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### **Federal Reserve Proposes Rule to Allow Companies to Register As Securities Holding Companies**

The Federal Reserve Board (the Board) on August 31 issued a proposed rule to implement Section 618 of the Dodd-Frank Wall Street Reform and Consumer Protection Act (the Dodd-Frank Act), which permits (but does not require) nonbank companies that own or are owned by a registered securities broker or dealer to register with the Board and subject themselves to supervision by the Board. The proposed rule outlines the requirements that a securities holding company must satisfy to make an effective registration election, including filing the appropriate form with the responsible Federal Reserve Bank. The utility of the proposed rule appears to be limited to those companies that are required by a foreign regulator or provision of foreign law to be subject to comprehensive consolidated supervision. According to the Board, only a handful of companies are expected to make an election to register, thereby subjecting themselves to extensive regulation akin to that imposed on bank holding companies (including capital requirements), but absent restrictions on non-banking activities.

To view the proposal, click [here](#).

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