113TH CONGRESS
1ST SESSION

S. ______

To reduce risks to the financial system by limiting banks' ability to engage in certain risky activities and limiting conflicts of interest, to reinstate certain Glass-Steagall Act protections that were repealed by the Gramm-Leach-Bliley Act, and for other purposes.

IN THE SENATE OF THE UNITED STATES

Ms. WARREN (for herself, Mr. MCCAIN, Ms. CANTWELL, and Mr. KING) introduced the following bill; which was read twice and referred to the Committee on ____________________

A BILL

To reduce risks to the financial system by limiting banks' ability to engage in certain risky activities and limiting conflicts of interest, to reinstate certain Glass-Steagall Act protections that were repealed by the Gramm-Leach-Bliley Act, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "21st Century Glass-Steagall Act of 2013".

SEC. 2. FINDINGS AND PURPOSE.

(a) FINDINGS.—Congress finds that—

(1) in response to a financial crisis and the ensuing Great Depression, Congress enacted the Banking Act of 1933, known as the ''Glass-Steagall Act'', to prohibit commercial banks from offering investment banking and insurance services;

(2) a series of deregulatory decisions by the Board of Governors of the Federal Reserve System and the Office of the Comptroller of the Currency, in addition to decisions by Federal courts, permitted commercial banks to engage in an increasing number of risky financial activities that had previously been restricted under the Glass-Steagall Act, and also vastly expanded the meaning of the ''business of banking'' and ''closely related activities'' in banking law;

(3) in 1999, Congress enacted the ''Gramm-Leach-Bliley Act'', which repealed the Glass-Steagall Act separation between commercial and investment banking and allowed for complex cross-subsidies and interconnections between commercial and investment banks;

(4) former Kansas City Federal Reserve President Thomas Hoenig observed that ''with the elimination of Glass-Steagall, the largest institutions with the greatest ability to leverage their balance sheets

increased their risk profile by getting into trading, market making, and hedge fund activities, adding ever greater complexity to their balance sheets.'';

(5) the Financial Crisis Inquiry Report issued by the Financial Crisis Inquiry Commission concluded that, in the years between the passage of Gramm-Leach Bliley and the global financial crisis, ''regulation and supervision of traditional banking had been weakened significantly, allowing commercial banks and thrifts to operate with fewer constraints and to engage in a wider range of financial activities, including activities in the shadow banking system.'' The Commission also concluded that ''[t]his deregulation made the financial system especially vulnerable to the financial crisis and exacerbated its effects.'';

(6) a report by the Financial Stability Oversight Council pursuant to section 123 of the Dodd-Frank Wall Street Reform and Consumer Protection Act states that increased complexity and diversity of financial activities at financial institutions may ''shift institutions towards more risk-taking, increase the level of interconnectedness among financial firms, and therefore may increase systemic default risk. These potential costs may be exacerbated in

cases where the market perceives diverse and complex financial institutions as 'too big to fail,' which may lead to excessive risk taking and concerns about moral hazard.'';

(7) the Senate Permanent Subcommittee on Investigations report, ''Wall Street and the Financial Crisis: Anatomy of a Financial Collapse'', states that repeal of Glass-Steagall ''made it more difficult for regulators to distinguish between activities intended to benefit customers versus the financial institution itself. The expanded set of financial services investment banks were allowed to offer also contributed to the multiple and significant conflicts of interest that arose between some investment banks and their clients during the financial crisis.'';

(8) the Senate Permanent Subcommittee on Investigations report, ''JPMorgan Chase Whale Trades: A Case History of Derivatives Risks and Abuses'', describes how traders at JPMorgan Chase made risky bets using excess deposits that were partly insured by the Federal Government;

(9) in Europe, the Vickers Independent Commission on Banking (for the United Kingdom) and the Liikanen Report (for the Euro area) have both found that there is no inherent reason to bundle ''re-

tail banking'' with ''investment banking'' or other forms of relatively high risk securities trading, and European countries are set on a path of separating various activities that are currently bundled together in the business of banking;

(10) private sector actors prefer having access to underpriced public sector insurance, whether explicit (for insured deposits) or implicit (for ''too big to fail'' financial institutions), to subsidize dangerous levels of risk-taking, which, from a broader social perspective, is not an advantageous arrangement; and

(11) the financial crisis, and the regulatory response to the crisis, has led to more mergers between financial institutions, creating greater financial sector consolidation and increasing the dominance of a few large, complex financial institutions that are generally considered to be ''too big to fail'', and therefore are perceived by the markets as having an implicit guarantee from the Federal Government to bail them out in the event of their failure.

(b) PURPOSE.—The purposes of this Act are—

(1) to reduce risks to the financial system by limiting banks' ability to engage in activities other than socially valuable core banking activities;

(2) to protect taxpayers and reduce moral hazard by removing explicit and implicit government guarantees for high-risk activities outside of the core business of banking; and

(3) to eliminate conflicts of interest that arise from banks engaging in activities from which their profits are earned at the expense of their customers or clients.

SEC. 3. SAFE AND SOUND BANKING.

(a) INSURED DEPOSITORY INSTITUTIONS.—Section 18(s) of the Federal Deposit Insurance Act (12 U.S.C. 1828(s)) is amended by adding at the end the following:

"(6) LIMITATIONS ON BANKING AFFILIATIONS.—

"(A) PROHIBITION ON AFFILIATIONS WITH NONDEPOSITORY ENTITIES.—An insured depository institution may not—

"(i) be or become an affiliate of any insurance company, securities entity, or swaps entity;

"(ii) be in common ownership or control with any insurance company, securities entity, or swaps entity; or

"(iii) engage in any activity that would cause the insured depository institution to qualify as an insurance company, securities entity, or swaps entity.

"(B) INDIVIDUALS ELIGIBLE TO SERVE ON BOARDS OF DEPOSITORY INSTITUTIONS.—

"(i) IN GENERAL.—An individual who is an officer, director, partner, or employee of any securities entity, insurance company, or swaps entity may not serve at the same time as an officer, director, employee, or other institution-affiliated party of any insured depository institution.

"(ii) EXCEPTION.—Clause (i) does not apply with respect to service by any individual which is otherwise prohibited under clause (i), if the appropriate Federal banking agency determines, by regulation with respect to a limited number of cases, that service by such an individual as an officer, director, employee, or other institution-affiliated party of an insured depository institution would not unduly influence the investment policies of the depository institution or the advice that the institution provides to customers.

"(iii) TERMINATION OF SERVICE.—Subject to a determination under clause (i), any individual described in clause (i) who, as of the date of enactment of the 21st Century Glass-Steagall Act of 2013, is serving as an officer, director, employee, or other institution-affiliated party of any insured depository institution shall terminate such service as soon as is practicable after such date of enactment, and in no event, later than the end of the 60-day period beginning on that date of enactment.

"(C) TERMINATION OF EXISTING AFFILIATIONS AND ACTIVITIES.—

"(i) ORDERLY TERMINATION OF EXISTING AFFILIATIONS AND ACTIVITIES.—Any affiliation, common ownership or control, or activity of an insured depository institution with any securities entity, insurance company, or swaps entity, or any other person, as of the date of enactment of the 21st Century Glass-Steagall Act of 2013, which is prohibited under subparagraph (A) shall be terminated as soon as is practicable, and in no event later than the end of the 5-year period beginning on that date of enactment.

"(ii) EARLY TERMINATION.—The appropriate Federal banking agency, after opportunity for hearing, at any time, may order termination of an affiliation, common ownership or control, or activity prohibited by clause (i) before the end of the 5-year period described in clause (i), if the agency determines that—

"(I) such action is necessary to prevent undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices; and

"(II) is in the public interest.

"(iii) EXTENSION.—Subject to a determination under clause (ii), an appropriate Federal banking agency may extend the 5-year period described in clause (i) as to any particular insured depository institution for not more than an additional 6 months at a time, if—

"(I) the agency certifies that such extension would promote the public interest and would not pose a significant threat to the stability of the banking system or financial markets in the United States; and

"(II) such extension, in the aggregate, does not exceed 1 year for any one insured depository institution.

"(iv) REQUIREMENTS FOR ENTITIES RECEIVING AN EXTENSION.—Upon receipt of an extension under clause (iii), the insured depository institution shall notify its shareholders and the general public that it has failed to comply with the requirements of clause (i).

"(D) DEFINITIONS.—For purposes of this paragraph, the following definitions shall apply:

"(i) INSURANCE COMPANY.—The term 'insurance company' has the same meaning as in section 2(q) of the Bank Holding Company Act of 1956 (12 U.S.C. 1841(q)).

"(ii) SECURITIES ENTITY.—Except as provided in clause (iii), the term 'securities entity'—

"(I) includes any entity engaged in—

"(aa) the issue, flotation, underwriting, public sale, or distribution of stocks, bonds, debentures, notes, or other securities;

"(bb) market making;

"(cc) activities of a broker or dealer, as those terms are defined in section 3(a) of the Securities Exchange Act of 1934;

"(dd) activities of a futures commission merchant;

"(ee) activities of an investment adviser or investment company, as those terms are defined in the Investment Advisers Act of 1940 and the Investment Company Act of 1940, respectively; or

"(ff) hedge fund or private equity investments in the securities of either privately or publicly held companies; and

"(II) does not include a bank that, pursuant to its authorized trust and fiduciary activities, purchases and sells investments for the account of its customers or provides financial or investment advice to its customers.

"(iii) SWAPS ENTITY.—The term 'swaps entity' means any swap dealer, security-based swap dealer, major swap participant, or major security-based swap participant, that is registered under—

"(I) the Commodity Exchange Act (7 U.S.C. 1 et seq.); or

"(II) the Securities Exchange Act of 1934 (15 U.S.C. 78a et seq.).

"(iv) INSURED DEPOSITORY INSTITUTION.—The term 'insured depository institution'—

"(I) has the same meaning as in section 3(c)(2); and

"(II) does not include a savings association controlled by a savings and loan holding company, as described in section 10(c)(9)(C) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)(9)(C)).".

(b) LIMITATION ON BANKING ACTIVITIES.—Section 21 of the Banking Act of 1933 (12 U.S.C. 378) is amended by adding at the end the following:

"(c) BUSINESS OF RECEIVING DEPOSITS.—For purposes of this section, the term 'business of receiving deposits' includes the establishment and maintenance of any transaction account (as defined in section 19(b)(1)(C) of the Federal Reserve Act).".

(c) PERMITTED ACTIVITIES OF NATIONAL BANKS.—Section 24 (Seventh) of the Revised Statutes of the United States (12 U.S.C. 24 (Seventh)) is amended to read as follows:

"Seventh. (A) To exercise by its board of directors or duly authorized officers or agents, subject to law, all such powers as are necessary to carry on the business of banking.

"(B) As used in this paragraph, the term 'business of banking' shall be limited to the following core banking services:

"(i) RECEIVING DEPOSITS.—A national banking association may engage in the business of receiving deposits.

"(ii) EXTENSIONS OF CREDIT.—A national banking association may—

"(I) extend credit to individuals, businesses, not for profit organizations, and other entities;

"(II) discount and negotiate promissory notes, drafts, bills of exchange, and other evidences of debt; and

"(III) loan money on personal security
.

"(iii) PAYMENT SYSTEMS.—A national banking association may participate in payment systems, defined as instruments, banking procedures, and interbank funds transfer systems that ensure the circulation of money.

"(iv) COIN AND BULLION.—A national banking association may buy, sell, and exchange coin and bullion.

"(v) INVESTMENTS IN SECURITIES.—

"(I) IN GENERAL.—A national banking association may invest in investment securities, defined as marketable obligations evidencing indebtedness of any person, copartnership, association, or corporation in the form of bonds, notes, or debentures (commonly known as 'investment securities'), obligations of the Federal Government, or any State or subdivision thereof, under such further definition of the term 'investment securities' as the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Board of Governors of the Federal Reserve System may jointly prescribe, by regulation.

"(II) LIMITATIONS.—The business of dealing in securities and stock by the association shall be limited to purchasing and selling such securities and stock without recourse, solely upon the order, and for the account of, customers, and in no case for its own account, and the association shall not underwrite any issue of securities or stock. The association may purchase for its own account investment securities under such limitations and restrictions as the Comptroller of the Currency, the Federal Deposit Insurance Corporation, and the Board of Governors of the Federal Reserve System may jointly prescribe, by regulation. In no event shall the total amount of the investment securities of any one obligor or maker, held by the association for its own account, exceed at any time 10 percent of its capital stock actually paid in and unimpaired and 10 percent of its unimpaired surplus fund, except that such limitation shall not require any association to dispose of any securities lawfully held by it on August 23, 1935.

"(C) PROHIBITION AGAINST TRANSACTIONS INVOLVING STRUCTURED OR SYNTHETIC PRODUCTS.—A national banking association shall not invest in a structured or synthetic product, a financial instrument in which a return is calculated based on the value of, or by reference to the performance of, a security, commodity, swap, other asset, or an entity, or any index or basket composed of securities, commodities, swaps, other assets, or entities, other than customarily determined interest rates, or otherwise engage in the business of receiving deposits or extending credit for transactions involving structured or synthetic products.".

(d) PERMITTED ACTIVITIES OF FEDERAL SAVINGS ASSOCIATIONS.—

(1) IN GENERAL.—Section 5(c)(1) of the Home Owners' Loan Act (12 U.S.C. 1464(c)(1)) is amended—

(A) by striking subparagraph (Q); and

(B) by redesignating subparagraphs (R) through (U) as subparagraphs (Q) through (T), respectively.

(2) CONFORMING AMENDMENT.—Section 10(c)(9)(A) of the Home Owners' Loan Act (12 U.S.C. 1467a(c)(9)(A)) is amended by striking ''permitted—'' and all that follows through clause (ii) and inserting ''permitted under paragraph (1)(C) or (2).''.

(e) CLOSELY RELATED ACTIVITIES.—Section 4(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)) is amended—

(1) in paragraph (8), by striking ''had been determined'' and all that follows through the end and inserting the following: ''are so closely related to banking so as to be a proper incident thereto, as provided under this paragraph or any rule or regulation issued by the Board under this paragraph, provided that the following shall not be considered closely related for purposes of this paragraph:

"(A) Serving as an investment advisor (as defined in section 2(a)(20) of the Investment Company Act of 1940 (15 U.S.C. 80a–2(a)(20))) to an investment company registered under that Act, including sponsoring, organizing, and managing a closed-end investment company.

"(B) Agency transactional services for customer investments, except that this subparagraph may not be construed as prohibiting purchases and sales of investments for the account of customers conducted by a bank (or subsidiary thereof) pursuant to the bank's trust and fiduciary powers.

"(C) Investment transactions as principal, except for activities specifically allowed by paragraph (14).

"(D) Management consulting and counseling activities.";

(2) in paragraph (13), by striking "or" at the end;

(3) by redesignating paragraph (14) as paragraph (15); and

(4) by inserting after paragraph (13) the following:

"(14) purchasing, as an end user, any swap, to the extent that—

"(A) the purchase of any such swap occurs contemporaneously with the underlying hedged item or hedged transaction;

"(B) there is formal documentation identifying the hedging relationship with particularity at the inception of the hedge; and

"(C) the swap is being used to hedge against exposure to—

"(i) changes in the value of an individual recognized asset or liability or an identified portion thereof that is attributable to a particular risk;

"(ii) changes in interest rates; or

"(iii) changes in the value of currency; or".

(f) PROHIBITED ACTIVITIES.—Section 4(a) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(a)) is amended—

(1) in paragraph (1), by striking "or" at the end;

(2) in paragraph (2), by striking the period at the end and inserting "; or"; and

(3) by inserting before the undesignated matter following paragraph (2), the following:

"(3) with the exception of the activities permitted under subsection (c), engage in the business of a 'securities entity' or a 'swaps entity', as those terms are defined in section 18(s)(6)(D) of the Federal Deposit Insurance Act (12 U.S.C. 1828(s)(6)(D)), including, without limitation, dealing or making markets in securities, repurchase agreements, exchange traded and over-the-counter swaps, as defined by the Commodity Futures Trading Commission and the Securities and Exchange Commission, or structured or synthetic products, as defined in section 24 (Seventh) of the Revised Statutes of the United States (12 U.S.C. 24 (Seventh)), or any other over-the-counter securities, swaps, contracts, or any other agreement that derives its value from, or takes on the form of, such securities, derivatives, or contracts;

"(4) engage in proprietary trading, as provided by section 13, or any rule or regulation under that section;

"(5) own, sponsor, or invest in a hedge fund, or private equity fund, or any other fund, as provided by section 13, or any rule or regulation under that section, or any other fund which exhibits the characteristics of a fund that takes on proprietary trading activities or positions;

"(6) hold ineligible securities or derivatives;

"(7) engage in market-making; or

"(8) engage in prime brokerage activities.".

(g) ANTI-EVASION.—

(1) IN GENERAL.—Any attempt to structure any contract, investment, instrument, or product in such a manner that the purpose or effect of such contract, investment, instrument, or product is to evade or attempt to evade the prohibitions described in section 18(s)(6) of the Federal Deposit Insurance Act, section 21(c) of the Banking Act of 1933, paragraph (Seventh) of section 24 of the Revised Statutes of the United States, section 5(c)(1) of the Home Owners' Loan Act, or section 4(a) of the Bank Holding Company Act of 1956, as added or amended by this section, shall be considered a violation of the Federal Deposit Insurance Act, the Banking Act of 1933, section 24 of the Revised Statutes of the United States, the Home Owners' Loan Act, and the Bank Holding Company Act of 1956, respectively.

(2) TERMINATION.—

(A) IN GENERAL.—Notwithstanding any other provision of law, if a Federal agency has reasonable cause to believe that an insured depository institution, securities entity, swaps entity, insurance company, bank holding company, or other entity over which that agency has regulatory authority has made an investment or engaged in an activity in a manner that functions as an evasion of the prohibitions described in paragraph (1) (including through an abuse of any permitted activity) or otherwise violates such prohibitions, the agency shall—

(i) order, after due notice and opportunity for hearing, the entity to terminate the activity and, as relevant, dispose of the investment;

(ii) order, after the procedures described in clause (i), the entity to pay a penalty equal to 10 percent of the entity's net profits, averaged over the previous 3 years, into the United States Treasury; and

(iii) initiate proceedings described in 12 U.S.C. 1818(e) for individuals involved in evading the prohibitions described in paragraph (1).

(B) CONSTRUCTION.—Nothing in this paragraph shall be construed to limit the inherent authority of any Federal agency or State regulatory authority to further restrict any investments or activities under otherwise applicable provisions of law.

(3) REPORTING REQUIREMENT.—Each year, each Federal agency having regulatory authority over any entity described in paragraph (2)(A) shall issue a report to the Committee on Banking, Housing, and Urban Affairs of the Senate and the Committee on Financial Services of the House of Representatives, and shall make such report available to the public. The report shall identify the number and character of any activities that took place in the preceding year that function as an evasion of the prohibitions described in paragraph (1), the names of the particular entities engaged in those activities, and the actions of the agency taken under paragraph (2).

(h) ATTESTATION.—Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843), as amended by section 3(a)(1) of this Act, is amended by adding at the end the following:

"(k) ATTESTATION.—Executives of any bank holding company or its affiliate shall attest in writing, under penalty of perjury, that the bank holding company or affiliate is not engaged in any activity that is prohibited under subsection (a), except to the extent that such activity is permitted under subsection (c).".

SEC. 4. REPEAL OF GRAMM-LEACH-BLILEY ACT PROVISIONS.

(a) TERMINATION OF FINANCIAL HOLDING COMPANY DESIGNATION.—

(1) IN GENERAL.—Section 4 of the Bank Holding Company Act of 1956 (12 U.S.C. 1843) is amended by striking subsections (k), (l), (m), (n), and (o).

(2) TRANSITION.—

(A) ORDERLY TERMINATION OF EXISTING AFFILIATION.—In the case of a bank holding company which, pursuant to the amendments made by paragraph (1), is no longer authorized to control or be affiliated with any entity that was permissible for a financial holding company on the day before the date of enactment of this Act, any affiliation, ownership or control, or activity by the bank holding company which is not permitted for a bank holding company shall be terminated as soon as is practicable, and in no event later than the end of the 5-year period beginning on the date of enactment of this Act.

(B) EARLY TERMINATION.—The Board of Governors of the Federal Reserve System (in this section referred to as the ''Board''), after opportunity for hearing, at any time, may terminate an affiliation prohibited by subparagraph (A) before the end of the 5-year period described in subparagraph (A), if the Board determines that such action—

(i) is necessary to prevent undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices; and

(ii) is in the public interest.

(C) EXTENSION.—Subject to a determination under subparagraph (B), the Board may extend the 5-year period described in subparagraph (A), as to any particular bank holding company, for not more than an additional 6 months at a time, if—

(i) the Board certifies that such extension would promote the public interest and would not pose a significant risk to the stability of the banking system or financial markets of the United States; and

(ii) such extension, in the aggregate, does not exceed 1 year for any one bank holding company.

(D) REQUIREMENTS FOR ENTITIES RECEIVING AN EXTENSION.—Upon receipt of an extension under subparagraph (C), the bank holding company shall notify its shareholders and the general public that it has failed to comply with the requirements of subparagraph (A).

(3) TECHNICAL AND CONFORMING AMENDMENTS.—

(A) BANK HOLDING COMPANY ACT OF 1956.—The Bank Holding Company Act of 1956 (12 U.S.C. 1841 et seq.) is amended—

(i) in section 2 (12 U.S.C. 1841)—

(I) by striking subsection (p); and

(II) by redesignating subsection (q) as subsection (p);

(ii) in section 5(c) (12 U.S.C. 1844(c)), by striking paragraphs (3), (4), and (5); and

(iii) in section 5 (12 U.S.C. 1844), by striking subsection (g).

(4) FDIA.—The Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.) is amended—

(A) by striking sections 45 and 46 (12 U.S.C. 1831v, 1831w); and

(B) by redesignating sections 47 through 50 as sections 45 through 48, respectively.

(5) GRAMM LEACH BLILEY.—Subtitle B of title I of the Gramm-Leach-Bliley Act is amended by striking section 115 (12 U.S.C. 1820a).

(b) FINANCIAL SUBSIDIARIES OF NATIONAL BANKS DISALLOWED.—

(1) IN GENERAL.—Section 5136A of the Revised Statutes of the United States (12 U.S.C. 24a) is repealed.

(2) TRANSITION.—

(A) ORDERLY TERMINATION OF EXISTING AFFILIATION.—In the case of a national bank which, pursuant to the amendment made by paragraph (1), is no longer authorized to control or be affiliated with a financial subsidiary as of the date of enactment of this Act, such affiliation, ownership or control, or activity shall be terminated as soon as is practicable, and in no event later than the end of the 5-year period beginning on the date of enactment of this Act.

(B) EARLY TERMINATION.—The Comptroller of the Currency (in this section referred to as the ''Comptroller''), after opportunity for hearing, at any time, may terminate an affiliation prohibited by subparagraph (A) before the end of the 5-year period described in subparagraph (A), if the Comptroller determines, having due regard for the purposes of this Act, that—

(i) such action is necessary to prevent undue concentration of resources, decreased or unfair competition, conflicts of interest, or unsound banking practices; and

(ii) is in the public interest.

(C) EXTENSION.—Subject to a determination under subparagraph (B), the Comptroller may extend the 5-year period described in subparagraph (A) as to any particular national bank for not more than an additional 6 months, if—

(i) the Comptroller certifies that such extension would promote the public interest and would not pose a significant risk to the stability of the banking system or financial markets of the United States; and

(ii) such extension, in the aggregate, does not exceed 1 year for any single national bank.

(D) REQUIREMENTS FOR ENTITIES RECEIVING AN EXTENSION.—Upon receipt of an extension under subparagraph (C), the national bank shall notify its shareholders and the general public that it has failed to comply with the requirements described in subparagraph (A).

(3) TECHNICAL AND CONFORMING AMENDMENT.—The 20th undesignated paragraph of section 9 of the Federal Reserve Act (12 U.S.C. 335) is amended by striking the last sentence.

(4) CLERICAL AMENDMENT.—The table of sections for chapter one of title LXII of the Revised Statutes of the United States is amended by striking the item relating to section 5136A.

(c) REPEAL OF PROVISION RELATING TO FOREIGN BANKS FILING AS FINANCIAL HOLDING COMPANIES.—

Section 8(c) of the International Banking Act of 1978 (12 U.S.C. 3106(c)) is amended by striking paragraph (3).

SEC. 5. REPEAL OF BANKRUPTCY PROVISIONS.

Title 11, United States Code, is amended by striking sections 555, 559, 560, 561, and 562.