

---

**FEDERAL DEPOSIT INSURANCE CORPORATION  
BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
OFFICE OF THE COMPTROLLER OF THE CURRENCY**

---

ELECTRONIC FILING OF BENEFICIAL OWNERSHIP REPORTS

July 28, 2003

SUBJECT: Federal Banking Agencies Announce New Interagency  
Electronic Filing System for Beneficial Ownership Reports

The Federal Deposit Insurance Corporation, the Federal Reserve Board, and the Office of the Comptroller of the Currency are jointly announcing that beginning July 30, 2003, a new interagency electronic filing system will be available to facilitate the submission of beneficial ownership reports by directors, officers, and principal shareholders of institutions whose equity securities are registered with the FDIC, the FRB, and the OCC. The agencies encourage the use of the electronic filing system as soon as practicable once it becomes available. The agencies will be issuing guidance making electronic filing of beneficial ownership reports mandatory, as required by the Sarbanes-Oxley Act of 2002.

### **Background**

The Securities Exchange Act of 1934 (Exchange Act) seeks to protect investors by requiring accurate, reliable, and timely corporate securities disclosures. Institutions with equity securities that are subject to the registration and disclosure requirements of the Exchange Act must register these securities with the appropriate federal banking agency. The Exchange Act requires directors, executive officers, and owners of 10 percent of a class of securities of these institutions (insiders) to file the beneficial ownership reports regarding their ownership and transactions in company securities.<sup>1</sup>

As amended by the Sarbanes-Oxley Act of 2002, Section 16 of the Exchange Act (15 U.S.C. 78p) establishes requirements for the electronic filing of beneficial ownership reports.<sup>2</sup> It further mandates that when a change in ownership occurs, the insider is required to file a report, whether by paper or electronically, within **two** business days after consummation of a transaction in registered securities of an institution. The Exchange Act requires the appropriate federal banking agency to make those filings available to the public on the Internet. The Exchange Act also requires institutions with Web sites to post their insiders' change in beneficial ownership reports on their Web sites.

---

<sup>1</sup> These reports are currently filed using FDIC Forms F-7, F-8, and F-8A by state nonmember bank insiders and SEC Forms 3, 4, and 5 by state member and national bank insiders.

<sup>2</sup> Beneficial ownership reports were previously filed on paper to the banking agencies within 10 days from the end of the month of the transaction.

## **New Electronic Filing and Retrieval System**

In order to permit the electronic filing of beneficial ownership reports as required by the Exchange Act, the FDIC, the FRB, and the OCC have created an electronic filing system utilizing the *FDICconnect* secure Web platform. This filing system, which is in the transitional stage, will become operational beginning July 30, 2003. This transition period will end when the agencies issue guidance making the electronic filing of the beneficial ownership reports through the *FDICconnect* system mandatory. The agencies anticipate this guidance will be issued by the first quarter of 2004.

During the period when the electronic system is in transition, insiders will be required to continue to submit beneficial ownership reports on paper. Insiders are encouraged (but not required) to file their reports through *FDICconnect* as well. The current paper filing requirement can be met by simply completing the on-line version of the report, then printing and faxing the electronic filing system confirmation screen (which contains the completed report). Reports must be faxed to your appropriate federal banking agency as noted under the contacts section below.

The electronic filing system will use beneficial ownership reports that are designated as Forms 3, 4, and 5. These forms will contain the same information as currently required on FDIC Forms F-7, F-8, and F-8A and SEC Forms 3, 4, and 5, respectively. When the forms are electronically submitted, the forms will be made immediately available on the FDIC's external public Web site (<http://www2.fdic.gov/efr>). Filings will be retrievable by institution name, institution state, and filing date.

Additionally, the Exchange Act requires that, when reports are filed electronically, institutions with Web sites must post their insiders' reports on their Web site within one business day after the report is filed. During this transitional period, institutions whose insiders choose to file electronically through *FDICconnect* (in addition to making a paper filing) may meet this requirement by providing on their Web site a link to the FDIC's Web site (identified above) to enable the public to access the reports.

The agencies invite insiders to submit feedback on their use of this system. Feedback will be helpful when the agencies periodically consider technical or other system upgrades. Comments or suggestions may be submitted via e-mail to [FDICconnect@fdic.gov](mailto:FDICconnect@fdic.gov).

### **Access to the Electronic Filing System Using *FDICconnect***

Each registered institution should designate an *FDICconnect* coordinator by completing the attached Designated Coordinator Form attached to this letter. This form requires the signature of an appropriate approving officer of the institution. Please promptly complete this form and return it to the FDIC by one of the following methods:

- ◆ Fax the completed form to 703-516-5256, to the attention of *FDICconnect*, or
- ◆ Mail the completed form to:

Federal Deposit Insurance Corporation  
ATTENTION: FDIC*connect* Project Team  
3501 North Fairfax Drive, Room VS-5240  
Arlington, VA 22225

As specified on the attached Designated Coordinator Registration, the Designated Coordinator will be able to execute regulatory transactions and submit regulatory filings on behalf of the institution and its insiders. The Coordinator will also be authorized to provide access to the electronic filing system to other institution staff as well as individuals not employed by the institution who need to file beneficial ownership reports. The agencies will rely on the actions taken by the Coordinator and those users given access to the filing system by the Coordinator. Thus, it is important that the institution choose the Coordinator carefully and that controls be implemented to address operational risks inherent in on-line transactions. When a Designated Coordinator is assigned, FDIC*connect* staff will provide that individual with technical guidance for using FDIC*connect*.

### **Subject Matter/Banking Agency Contact Information**

Please contact one of the following individuals if you have questions regarding the beneficial ownership reports or other Exchange Act requirements. Each banking agency's fax number for submitting paper copies of these reports is also included below:

#### **FDIC Contacts (State Nonmember Banks)**

M. Eric Dohm, Senior Staff Accountant, Phone: 202-898-8921  
Dennis Wm. Chapman, Senior Staff Accountant, Phone: 202-898-8922  
Mary Pat Frank, Senior Financial Analyst, Phone: 202-898-8903

FAX: 202-898-8712

#### **FRB Contact (State Member Banks)**

Terrill L. Garrison, Jr., Supervisory Financial Analyst, Phone: 202-452-2712  
FAX: 202-452-2864

#### **OCC Contacts (National Banks)**

Robyn Ide, Securities and Corporate Practices Specialist, Phone: 202-874-5210  
Asa Chamberlayne, Counsel, Phone: 202-874-5210

FAX: 202-874-5279

## **Technical/System Help Contact Information**

For technical questions or problems relating to the use of *FDICconnect* or Designated Coordinator registration, please contact *FDICconnect* toll-free at 877-275-3342 or via e-mail at [FDICconnect@fdic.gov](mailto:FDICconnect@fdic.gov).

### Attachments:

- (1) Designated Coordinator Registration
- (2) List of Other Available *FDICconnect* Transactions