

FEDERAL RESERVE SYSTEM

CACEIS Bank  
Montrouge, France

Order Approving the Establishment of a Representative Office

CACEIS Bank, Montrouge, France, a foreign bank within the meaning of the International Banking Act of 1978 (“IBA”), has applied under section 10(a) of the IBA<sup>1</sup> to establish a representative office in New York, New York (“New York Representative Office”). The IBA provides that a foreign bank must obtain the approval of the Board to establish a representative office in the United States.<sup>2</sup>

Notice of the application, affording interested persons an opportunity to comment, has been published in a newspaper of general circulation in New York, New York (The Daily News, October 2, 2024). The time for submitting comments has expired, and the Board did not receive any comments.

CACEIS Bank, with total assets of approximately \$151 billion, operates as a commercial bank in France and is the largest custody bank in France by assets under

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<sup>1</sup> 12 U.S.C. § 3107(a).

<sup>2</sup> The New York Representative Office was previously an office of CACEIS Investor Services Bank, S.A. (“CACEIS ISB”), Esch-sur-Alzette, Luxembourg, formerly an affiliate of CACEIS Bank. On May 30, 2024, CACEIS Bank received approval, pursuant to section 211.24(a)(6) of the Board’s Regulation K, to proceed with a proposed internal reorganization, whereby CACEIS ISB was merged with and into CACEIS Bank, prior to Board action on CACEIS Bank’s application to establish a representative office in the United States through retention of the CACEIS ISB representative office in New York. See 12 CFR 211.24(a)(6). The merger of CACEIS ISB into CACEIS Bank was completed on May 31, 2024.

management.<sup>3</sup> CACEIS Bank offers banking and financial products and services in France, with a focus on custody banking services, institutional custody, and clearing and order execution services for institutional clients. CACEIS Bank's foreign operations include branches or subsidiaries in Luxembourg, Germany, Ireland, Belgium, the Netherlands, Italy, the United Kingdom, and Switzerland.

CACEIS Bank is a wholly owned subsidiary of CACEIS, Paris, France, a holding company, which is a subsidiary of Crédit Agricole S.A. ("Crédit Agricole"), Paris, France, a foreign bank.<sup>4</sup> Crédit Agricole is the lead bank for Crédit Agricole Group, which provides a wide range of banking and financial services to retail and corporate customers throughout the world and is the second largest banking group in France, with total assets of approximately \$2.8 trillion.<sup>5</sup>

The New York Representative Office would act as a liaison with current and prospective U.S. customers of CACEIS Bank. It would promote and market the bank's products and services, perform back-office functions, and conduct market research.<sup>6</sup>

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<sup>3</sup> Asset and ranking data are as of December 31, 2024.

<sup>4</sup> As of December 2024, Crédit Agricole controlled 69.5 percent of the voting stock of CACEIS and Santander Investment, S.A., a wholly owned subsidiary of Banco Santander, S.A. ("Santander"), controlled the remaining 30.5 percent. On December 19, 2024, Crédit Agricole and Santander announced an agreement for Crédit Agricole to acquire Santander's stake in CACEIS. Upon consummation of this transaction, CACEIS would become a wholly owned subsidiary of Crédit Agricole.

<sup>5</sup> SAS Rue La Boétie ("Boétie"), Paris, France, holds approximately 57 percent of Credit Agricole's shares. Boétie is a French holding company cooperative that is wholly owned by the 39 regional banks within the Crédit Agricole network.

<sup>6</sup> A representative office may engage in representational and administrative functions in connection with the banking activities of a foreign bank, including soliciting new business for the foreign bank, conducting research, acting as a liaison between the foreign bank's head office and customers in the United States, performing preliminary and servicing steps in connection with lending, and performing back-office functions. A

Under the IBA and Regulation K, in acting on an application by a foreign bank to establish a representative office, the Board considers whether (1) the foreign bank has furnished to the Board the information it needs to assess the application adequately, (2) the foreign bank and any foreign bank parent engage directly in the business of banking outside the United States, and (3) the foreign bank and any foreign bank parent are subject to comprehensive supervision on a consolidated basis by their home country supervisor.<sup>7</sup> The Board also considers additional standards set forth in the IBA and Regulation K.<sup>8</sup>

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representative office may not contract for any deposit or deposit-like liability, lend money, or engage in any other banking activity. 12 CFR 211.24(d)(1).

<sup>7</sup> 12 U.S.C. § 3107(a)(2); 12 CFR 211.24(d)(2). In assessing the supervision standard, the Board considers, among other indicia of comprehensive, consolidated supervision, the extent to which home country supervisors (i) ensure that the bank has adequate procedures for monitoring and controlling its activities worldwide; (ii) obtain information on the condition of the bank and its subsidiaries and offices through regular examination reports, audit reports, or otherwise; (iii) obtain information on the dealings and relationships between the bank and its affiliates, both foreign and domestic; (iv) receive from the bank financial reports that are consolidated on a worldwide basis or comparable information that permits analysis of the bank's financial condition on a worldwide consolidated basis; and (v) evaluate prudential standards, such as capital adequacy and risk asset exposure, on a worldwide basis. No single factor is essential, and other elements may inform the Board's determination. 12 CFR 211.24(c)(1).

<sup>8</sup> See 12 U.S.C. § 3105(d)(3)–(4); 12 CFR 211.24(c)(2). These standards include the following: whether the bank's home country supervisor has consented to the establishment of the office; the financial and managerial resources of the bank; whether the bank has procedures to combat money laundering, whether there is a legal regime in place in the home country to address money laundering, and whether the home country is participating in multilateral efforts to combat money laundering; whether the appropriate supervisors in the home country may share information on the bank's operations with the Board; whether the bank and its U.S. affiliates are in compliance with U.S. law; the needs of the community; and the bank's record of operation. The Board may also, in the case of a foreign bank that presents a risk to the stability of the U.S. financial system, take into account, to the extent appropriate, whether the home country of the foreign bank has adopted, or is making demonstrable progress towards adopting, an appropriate system of

In the case of an application to establish a representative office, the Board has by rule determined that the supervision standard will be met if the Board determines that the applicant bank is subject to a supervisory framework that is consistent with the activities of the proposed representative office, taking into account the nature of such activities and the operating record of the applicant bank.<sup>9</sup> This is a lesser standard than the comprehensive, consolidated supervision standard applicable to applications to establish branch or agency offices of a foreign bank. The Board considers the lesser standard sufficient for approval of representative office applications because representative offices may not engage in banking activities. This application has been considered under the lesser standard.

As noted above, CACEIS Bank engages directly in the business of banking outside of the United States. CACEIS Bank has provided the Board with the information necessary to assess the application through submissions that address the relevant issues.

CACEIS Bank is supervised by the European Central Bank (“ECB”) and the Autorité de Contrôle Prudentiel et de Resolution (“ACPR”), France’s financial supervisory authority, under the Single Supervisory Mechanism (“SSM”). The SSM is a system of financial supervision composed of the ECB and the national competent authorities of participating European Union member states by which specific tasks are distributed between the ECB and the national competent authorities. Under the SSM, the ECB has direct prudential supervisory responsibility for CACEIS Bank, while ACPR, as the relevant national competent authority for CACEIS Bank, retains supervisory authority over all other areas, including consumer protection and the prevention of money laundering and terrorist financing.

The methodologies and standards that underpin the day-to-day supervision of large European Union banking organizations by the ECB under the SSM are aimed at

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financial regulation for the financial system of such home country to mitigate such risk.  
12 U.S.C. § 3105(d)(3)(E).

<sup>9</sup> See 12 CFR 211.24(d)(2).

achieving a consistent supervisory approach across the European Union. The Board has previously found that other European banking organizations supervised by the ECB under the SSM and by the relevant national competent authority are subject to comprehensive consolidated supervision.<sup>10</sup> The system of supervision applied to all large banks within the European Union has not changed materially since it was last considered by the Board.

Based on all the facts of record, including the above information, it has been determined that CACEIS Bank is subject to a supervisory framework that is consistent with the proposed activities of the New York Representative Office, taking into account the nature of such activities.

The following additional standards set forth in the IBA and Regulation K have also been considered: (1) whether the bank has procedures to combat money laundering, whether there is a legal regime in place in the home country to address money laundering, and whether the home country is participating in multilateral efforts to combat money laundering; (2) the financial and managerial resources of the bank; (3) whether the appropriate supervisors in the home country may share information on the bank's operations with the Board; and (4) whether the bank's home country supervisor has consented to the establishment of the office.<sup>11</sup>

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<sup>10</sup> See, e.g., BAWAG P.S.K. Bank für Arbeit und Wirtschaft und Österreichische Postsparkasse Aktiengesellschaft, FRB Order 2022-01 (January 13, 2022); Allfunds Bank S.A.U., FRB Order No. 2020-07 (October 20, 2020); Adyen, N.V., FRB Order 2021-06 (May 24, 2021); Abanca Corporación Bancaria, S.A., FRB Order 2018-20 (September 28, 2018); Nordea Bank Abp, FRB Order 2018-16 (August 3, 2018); Deutsche Pfandbriefbank AG, FRB Order 2018-01 (January 3, 2018); ING Bank N.V., FRB Order 2017-27 (October 20, 2017); Board letter to Rita Milazzo dated August 1, 2017 (finding comprehensive consolidated supervision for Banco Bilbao Vizcaya Argentaria, S.A.); and Unione di Banche Italiane, S.p.A., FRB Order 2016-01 (January 19, 2016).

<sup>11</sup> See 12 U.S.C. § 3105(d)(3)–(4); 12 CFR 211.24(c)(2).

France is a member of the Financial Action Task Force and subscribes to its recommendations on measures to combat money laundering and international terrorism. In accordance with those recommendations, France has enacted laws to deter money laundering, terrorist financing, and other illicit activities. Money laundering is a criminal offense in France, and financial institutions are required to establish internal policies, procedures, and systems for the detection and prevention of money laundering throughout their worldwide operations. The ACPR enforces those requirements with respect to French banks, including CACEIS Bank.<sup>12</sup> CACEIS Bank has policies and procedures to comply with these laws and regulations that are monitored by government entities responsible for anti-money-laundering compliance, including the ACPR.

CACEIS Bank appears to have the experience and capacity to support the New York Representative Office. In addition to its banking operations in France, CACEIS Bank operates branches or subsidiaries in Luxembourg, Germany, Ireland, Belgium, the Netherlands, Italy, the United Kingdom, and Switzerland. Further, CACEIS Bank has established controls and procedures for the New York Representative Office to ensure compliance with U.S. law, as well as controls and procedures for its operations generally. Taking into consideration CACEIS Bank's record of operations in its home country, its overall financial resources, and its standing with its home country supervisors, financial and managerial factors are consistent with approval of CACEIS Bank's application to establish the New York Representative Office.

CACEIS Bank has committed to make available to the Board such information on the operations of CACEIS Bank and any of its affiliates that the Board deems necessary to determine and enforce compliance with the IBA, the Bank Holding Company Act,<sup>13</sup> and other applicable federal law. To the extent that providing such information to the Board may be prohibited by law or otherwise, CACEIS Bank has

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<sup>12</sup> French credit institutions are also subject to investigations and sanctions by the Taitement du renseignement et action contre les circuits financiers clandestins (“Tracfin”).

<sup>13</sup> 12 U.S.C. § 1841 et seq.

committed to cooperate with the Board to obtain any necessary consents or waivers that might be required from third parties for the disclosure of such information. In addition, subject to certain conditions, the ECB may share information on CACEIS Bank's operations with other supervisors, including the Board. In light of these commitments and other facts of record, and subject to the condition described below, it has been determined that CACEIS Bank has provided adequate assurances of access to any necessary information that the Board may request. In addition, the ECB has no objection to the establishment of the New York Representative Office.

Whether CACEIS Bank's proposal would present a risk to the stability of the U.S. financial system has also been considered. The proposal would not appear to affect financial stability in the United States. In particular, the scope of CACEIS Bank's activities, including the types of activities it proposes to conduct in the United States and the potential for those activities to increase or transmit financial instability, and the framework in place for supervising CACEIS Bank in its home country do not appear to create significant risk to the financial stability of the United States. Based on these and other factors, financial stability considerations in this proposal are consistent with approval.

On the basis of all the facts of record and subject to the commitments made by CACEIS Bank, CACEIS Bank's application to establish the New York Representative Office is hereby approved by the Director of the Division of Supervision and Regulation, with the concurrence of the General Counsel, pursuant to authority delegated by the Board.<sup>14</sup> Should any restrictions on access to information on the operations or activities of CACEIS Bank and its affiliates subsequently interfere with the Board's ability to obtain information to determine and enforce compliance by CACEIS Bank or its affiliates with applicable federal statutes, the Board may require termination of any of CACEIS Bank's direct or indirect activities in the United States. Approval of this application also is specifically conditioned on compliance by CACEIS Bank with the conditions imposed

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<sup>14</sup> 12 CFR 265.7(d)(3).

in this order and the commitments made to the Board in connection with this application.<sup>15</sup> For purposes of this action, these commitments and conditions are deemed to be conditions imposed by the Board in writing in connection with its findings and decision herein and, as such, may be enforced in proceedings under applicable law.

By order, approved pursuant to authority delegated by the Board, effective June 5, 2025.

*(signed) Michele Taylor Fennell*

Michele Taylor Fennell  
Associate Secretary of the Board

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<sup>15</sup> The Board's authority to approve the establishment of the New York Representative Office parallels the continuing authority of the State of New York to license offices of a foreign bank. The Board's approval of this application does not supplant the authority of the State of New York or its agent, the New York State Department of Financial Services, to license the New York Representative Office in accordance with any terms or conditions that they may impose.