

## § 231.2

those financial institutions specifically defined in the Act.

### § 231.2 Definitions.

As used in this part, unless the context requires otherwise:

(a) *Act* means the Federal Deposit Insurance Corporation Improvement Act of 1991 (Pub. L. 102-242, 105 Stat. 2236), as amended.

(b) *Affiliate*, with respect to a person, means any other person that controls, is controlled by, or is under common control with the person.

(c) *Financial contract* means a qualified financial contract as defined in section 11(e)(8)(D) of the Federal Deposit Insurance Act (12 U.S.C. 1821(e)(8)(D)), as amended, except that a forward contract includes a contract with a maturity date two days or less after the date the contract is entered into (i.e., a "spot" contract).

(d) *Financial market* means a market for a financial contract.

(e) *Gross mark-to-market positions* in one or more financial contracts means the sum of the absolute values of positions in those contracts, adjusted to reflect the market values of those positions in accordance with the methods used by the parties to each contract to value the contract.

(f) *Person* means any legal entity, foreign or domestic, including a corporation, unincorporated company, partnership, government unit or instrumentality, trust, natural person, or any other entity or organization.

### § 231.3 Qualification as a financial institution.

(a) A person qualifies as a financial institution for purposes of sections 401-407 of the Act if it represents, orally or in writing, that it will engage in financial contracts as a counterparty on both sides of one or more financial markets and either—

(1) Had one or more financial contracts of a total gross dollar value of at least \$1 billion in notional principal amount outstanding on any day during the previous 15-month period with counterparties that are not its affiliates; or

(2) Had total gross mark-to-market positions of at least \$100 million (aggregated across counterparties) in one

## 12 CFR Ch. II (1-1-05 Edition)

or more financial contracts on any day during the previous 15-month period with counterparties that are not its affiliates.

(b) If a person qualifies as a financial institution under paragraph (a) of this section, that person will be considered a financial institution for the purposes of any contract entered into during the period it qualifies, even if the person subsequently fails to qualify.

(c) If a person qualifies as a financial institution under paragraph (a) of this section on March 7, 1994, that person will be considered a financial institution for the purposes of any outstanding contract entered into prior to March 7, 1994.

[Reg. EE, 59 FR 4784, Feb. 2, 1994, as amended at 61 FR 1274, Jan. 19, 1996]

## PART 250—MISCELLANEOUS INTERPRETATIONS

### INTERPRETATIONS

Sec.

250.141 Member bank purchase of stock of "operations subsidiaries."

250.142 Meaning of "obligor or maker" in determining limitation on securities investments by member State banks.

250.143 Member bank purchase of stock of foreign operations subsidiaries.

250.160 Federal funds transactions.

250.163 Inapplicability of amount limitations to "ineligible acceptances."

250.164 Bankers' acceptances.

250.165 Bankers' acceptances: definition of participations.

250.166 Treatment of mandatory convertible debt and subordinated notes of state member banks and bank holding companies as "capital".

250.180 Reports of changes in control of management.

250.181 Reports of change in control of bank management incident to a merger.

250.182 Terms defining competitive effects of proposed mergers.

250.200 Investment in bank premises by holding company banks.

250.220 Whether member bank acting as trustee is prohibited by section 20 of the Banking Act of 1933 from acquiring majority of shares of mutual fund.

250.221 Issuance and sale of short-term debt obligations by bank holding companies.

250.260 Miscellaneous interpretations; gold coin and bullion.