

RESCINDED

OCC BULLETIN 2016-26

Subject: Proposed Rule on Industrial and Commercial Metals
Date: September 8, 2016

To: Chief Executive Officers of All National Banks, Federal Branches and Agencies, and Federal Savings Associations; Department and Division Heads; and All Examining Personnel

Description: Notice of Proposed Rulemaking

Summary

Outdated-See OCC 2017-1

The Office of the Comptroller of the Currency (OCC) requests comment on a proposed rule to prohibit national banks and federal savings associations (FSA) from dealing and investing in “industrial or commercial metal.” Under the proposed rule, the term “industrial or commercial metal” means metal (including an alloy) in a physical form primarily suited to industrial or commercial use, for example, copper cathodes.

Note for Community Banks

The OCC expects that this rule will have minimal or no impact on community banks because they generally do not deal or invest in industrial or commercial metals.

Highlights

The notice of proposed rulemaking applies to national banks and FSAs. The section applicable to national banks states that industrial or commercial metal is not “exchange, coin, and bullion” under 12 USC 24 (Seventh). It also states that buying and selling industrial or commercial metal for the purpose of dealing or investing in that metal is not part of or incidental to the business of banking. The section applicable to FSAs prohibits dealing or investing in industrial or commercial metals. Both rules have the same effect.

The proposed rule describes certain instances in which buying and selling industrial or commercial metal is permitted because it is not dealing or investing. For example, national banks and FSAs may acquire metal through foreclosures on loans and then sell the metal to mitigate loan losses.

The proposed rule implements a recommendation included in the OCC’s report to Congress and the Financial Stability Oversight Council under section 620 of the Dodd–Frank Wall Street Reform and Consumer Protection Act of 2010. If finalized in its current form, the proposed rule would supersede OCC Interpretive Letter 693 (November 14, 1995).

Further Information

Please contact Casey Scott Laxton, Counsel, Beth Kirby, Assistant Director, or Ted Dowd, Director, Securities and Corporate Practices Division, at (202) 649-5510; or Carl Kaminski, Special Counsel, Legislative and Regulatory Activities Division, at (202) 649-5490.

Amy S. Friend
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Related Link

- [“Notice of Proposed Rule: Industrial and Commercial Metals”](#)

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