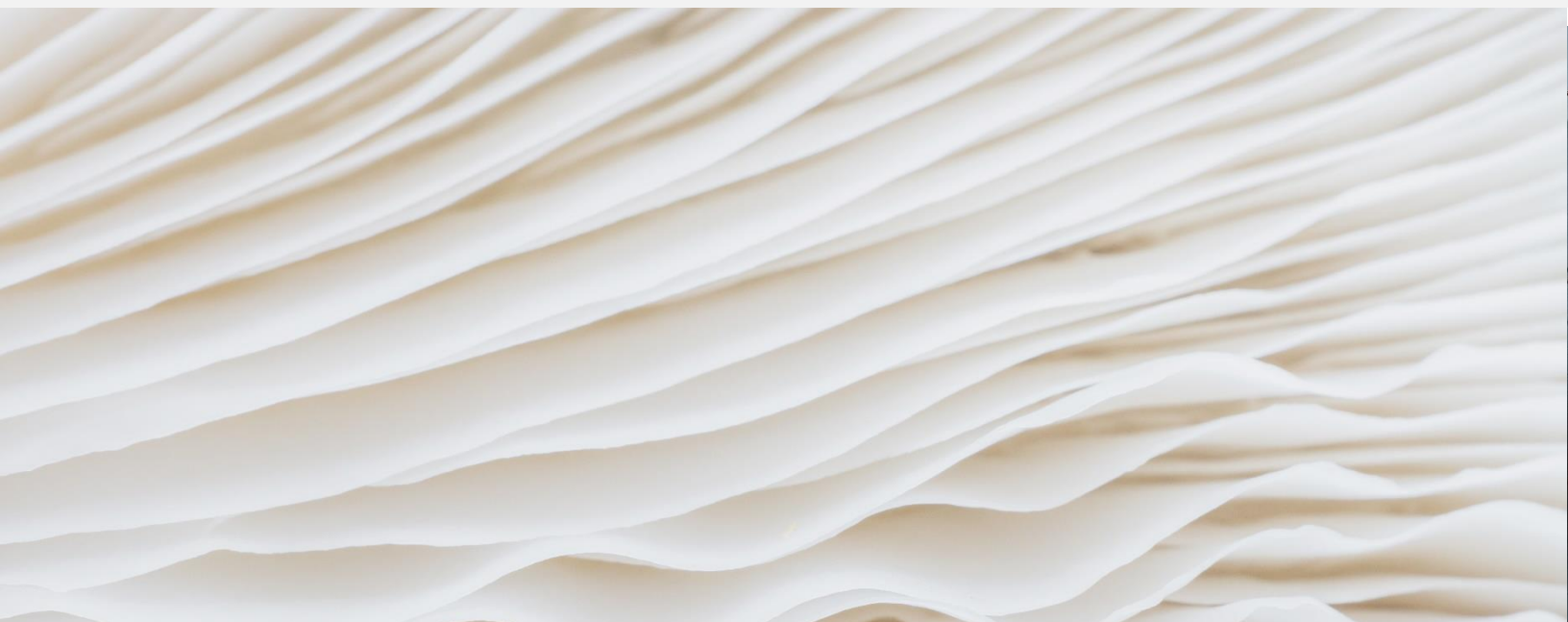


# **BANK REGULATORY CAPABILITIES**



## BANK REGULATORY

Mayer Brown's Bank Regulatory lawyers solve some of the most complex problems facing today's highly regulated financial services institutions and their investors, partners and counterparties. We have decades of experience tailoring innovative advice that addresses the complex web of regional, national, and international regulatory requirements that apply to new products and services and strategic trades and transactions. We also draw on our extensive relationships and experience working with national and local financial regulators to obtain the necessary regulatory approvals.

Mayer Brown's integrated platform approach ensures that regulatory expertise is applied to the entire lifecycle of investments and financing transactions. We not only work with all types of financial institutions on complex transactions and product rollouts but also represent their investors, partners and counterparties in similar transactions and joint ventures. Further, we collaborate with colleagues in our Corporate & Securities; Banking & Finance; Fund Formation & Investment Management; and Public Policy, Regulatory & Political Law practices on the regulatory aspects of significant investments and acquisitions, divestitures, joint ventures and other transactional matters.

## COUNSEL AT THE **DEAL** LEVEL

Most trades or transactions involving financial institutions have regulatory elements from day one. We assist in structuring and documenting regulated transactions and in preparing, submitting and negotiating all necessary regulatory applications and notice filings. We routinely review term sheets and analyze structure charts to identify and resolve issues related to compliance with restrictions on activities under banking laws, the prohibitions of the Volcker Rule, margin lending requirements and anti-tying rules. We also synthesize disparate regulatory requirements to produce innovative solutions—for example, trade structures that satisfy regulatory capital and liquidity rules and true sale accounting standards while providing appropriate insolvency protections.

We also advise on anti-money laundering and sanctions compliance matters globally, including under the USA PATRIOT Act, US Bank Secrecy Act, and US Corporate Transparency Act. In addition to providing business-as-usual regulatory compliance counseling, such as by drafting policies and reviewing workflows, we implement practical compliance solutions for complex commercial transactions by drawing on our substantial experience with how anti-money laundering requirements affect these transactions and working with our peers in the banking industry.

## AND AT THE **BUSINESS** LEVEL

On an ongoing basis, we counsel clients, solve complex management issues associated with corporate activities and operations and advise senior management and boards on corporate governance and oversight, transactions with affiliates, risk management and management succession. We provide guidance on disclosures that are required under the securities laws and expected by banking regulators as well as filings for changes in control and golden parachutes. Our advice ranges from addressing discrete control issues under the US Bank Holding Company Act to drafting comprehensive policies for equity investments for cross-border financial institutions. We tailor our advice to the specific issue facing the client, which may be as small as providing an opinion for onboarding as a financial market utility or as large as preparing an organization-wide resolution plan.

We guide clients through the most recent changes in supervisory expectations for corporate governance, risk management, compliance and cybersecurity. We also conduct end-to-end regulatory reviews to support risk management functions and gap analyses. Our deep involvement throughout the lifecycle allows us to efficiently provide customized solutions in the mitigation stage, such as by adjusting reporting lines under the three lines of defense model or drafting policy addenda for new legal requirements.

## OUR EXPERIENCE IN

### CHARTERING

We advise nonbank financial institutions and other institutions on the organization or acquisition of banks, including banks with novel charters and execution of risk-based strategies for navigating state licensing regimes. Our advice typically includes assessing the suitability of different charter options based on our clients' existing and planned business activities. For example, we have addressed the pro and cons associated with chartering insured full-service banks, fintech banks, savings associations, trust banks and companies, and industrial loan companies, as well as the alternatives of obtaining lender or money transmitter licenses. For non-US banks, we have addressed the licensing of US branches, agencies and representative offices and the formation of commercial lending companies and other nonbank entities.

Our deep market knowledge ensures our advice is both cutting-edge and practical. We understand the supervisory expectations of the US regulators and have a good sense of which options will be achievable for our clients. Further, our experience with non-traditional ownership structures, including investment funds and non-US entities, helps us to identify potential difficulties early in the engagement and design tailored solutions at both bank and holding company levels.

### VOLCKER RULE

Our team counsels banking organizations and fund managers on compliance with the requirements of the prohibitions against proprietary trading and covered fund activities, commonly known as the "Volcker Rule." This work includes reviewing fund structures and financing arrangements to help banking organizations and fund managers determine if their participation is subject to the Volcker Rule's covered fund prohibitions and whether exclusions or exemptions may be available to them. We also revise transaction documents and securities disclosures to ensure that certain types of fund investments will be

excluded from the Volcker Rule, including by having the fund qualify for alternative exceptions under the US Investment Company Act.

We provide similar advice concerning the prohibition against proprietary trading, often in the context of evaluating the status of esoteric cross-border trading and hedging activities. Our depth with both components of the Volcker Rule allows us to provide comprehensive counseling, such as through the drafting of organization-wide compliance procedures.

### PERMISSIBLE ACTIVITIES

Our lawyers advise banking organizations and their investors on the prohibitions against engaging in nonbanking activities. We review investment targets to help a banking organization determine if the target engages in impermissible nonbanking activities and whether exemptions may be available for certain types of investments. We also revise transaction documents to ensure that banking organizations may rely on specific exemptions for certain types of nonbanking activities and that the target will not subsequently engage in impermissible activities. This has included drafting workplans and supporting analyses for proposals that are subject to enhanced scrutiny under the US regulators' recent novel activities supervisory programs.

Additionally, we represent investors in banking organizations in connection with reviewing and conforming activities and investments that are not permissible. This has included obtaining financial holding company status to allow the investor to continue to engage in certain activities and winding down impermissible activities or debanking. This work also includes submitting requests to the regulators for general exemptive relief under Section 4(c)(9) of the US Bank Holding Company Act.

## CONTROL RULES

We counsel banking organizations and their investors on the control rules of the Federal Reserve and other banking regulators. This work includes reviewing relationships and investments to help a banking organization or investor determine if the relationship or investment constitutes control under the Bank Holding Company Act and similar regimes. We also revise transaction documents to ensure that an investment or relationship will not constitute control or create a controlling influence.

Additionally, we represent investors in banking organizations in connection with divesting control or restructuring controlling relationships, such as through changes to passivity commitments.

Our work in this area also has included representing parts of the securitization industry in their successful effort to decouple the definition of ownership interest in Regulation YY from the definition of control in Regulation Y.

## HEIGHTENED STANDARDS & BOARD EFFECTIVENESS

Our team advises banking organizations' senior management and boards of directors on supervisory expectations for risk management and corporate governance. This work includes designing and implementing risk governance frameworks under the OCC's heightened standards, as well as making incremental revisions to policies and procedures. And we conduct regulatory inventories to support risk management functions and gap analyses to ensure compliance with new cybersecurity requirements and third-party risk management expectations.

We also train directors on federal supervisory expectations for board effectiveness and state law fiduciary duties. These tailored trainings reflect the complex interaction between the federal regulatory requirements and state corporate law. And we review management and board reporting structures and help banking organizations clarify and align roles and responsibilities relative to supervisory expectations, such as through the three lines of defense model.

## CAPITAL AND LIQUIDITY

We advise financial institutions and investors on the regulatory capital and liquidity rules. This work has included the design of groundbreaking securitization structures to provide capital relief as well as traditional counseling to ensure that specific instruments qualify as regulatory capital. We also advise on the capital implications of specific transactions, including with respect to the advanced approaches for larger, more complex institutions and quasi-capital requirements for US branches and agencies of foreign banking organizations.

We have been one of the leading firms to engage on the US Basel III Endgame rulemaking. From representing the Structure Finance Association and CRE Finance Counsel to meeting with regulators, we have helped to shape the industry response and position our clients for success regardless of the contents of a final rule.

Additionally, we counsel financial institutions on complying with the standardized liquidity requirements and related reporting obligations. This work includes reviewing specific transactions and instruments to help financial institutions identify outflow or inflow rates. We also help institutions align their liquidity management activities under the Liquidity Coverage Ratio requirements with their liquidity reporting obligations under the FR 2052a.

## INSOLVENCY PROCEEDINGS AND RESOLUTION PLANNING

Our lawyers counsel financial institutions on resolution planning requirements, commonly known as "living wills." This work includes reviewing activities and operations to help financial institutions identify material entities and interconnections and drafting resolution plans or parts of plans. While we have worked on resolution plans for institutions of all sizes, our advice is tailored for each institution's unique footprint and designed to avoid over-engineering the final plan.



# MAYER | BROWN

AMERICAS | ASIA | EMEA

MAYERBROWN.COM

Mayer Brown is a leading international law firm positioned to represent the world's major corporations, funds, and financial institutions in their most important and complex transactions and disputes. Please visit [www.mayerbrown.com](http://www.mayerbrown.com) for comprehensive contact information for all our offices. This Mayer Brown publication provides information and comments on legal issues and developments of interest to our clients and friends. The foregoing is not a comprehensive treatment of the subject matter covered and is not intended to provide legal advice. Readers should seek legal advice before taking any action with respect to the matters discussed herein. Mayer Brown is a global services provider comprising associated legal practices that are separate entities, including Mayer Brown LLP (Illinois, USA), Mayer Brown International LLP (England & Wales), Mayer Brown (a Hong Kong partnership) and Tauil & Chequer Advogados (a Brazilian law partnership), and non-legal service providers, which provide consultancy services (collectively, the "Mayer Brown Practices"). The Mayer Brown Practices are established in various jurisdictions and may be a legal person or a partnership. PK Wong & Nair LLC ("PKWN") is the constituent Singapore law practice of our licensed joint law venture in Singapore, Mayer Brown PK Wong & Nair Pte. Ltd. Details of the individual Mayer Brown Practices and PKWN can be found in the Legal Notices section of our website. "Mayer Brown" and the Mayer Brown logo are the trademarks of Mayer Brown.

© 2025 Mayer Brown. All rights reserved. Attorney Advertising. Prior results do not guarantee a similar outcome.