Kansas Administrative Regulations

Office of the State Bank Commissioner

Article 19.—Bank Subsidiaries Engaged in Securities Activities

17-19-3. Wholly-owned subsidiary; leasing; employees; office location.

(a) Each bank subsidiary engaged in securities activities shall be a wholly-owned subsidiary of the parent bank.

(b) Any parent bank may lease or sell office space to its subsidiary engaged in securities activities; provided the lease or sale is of a bona fide nature and represents a fair market value in the community market place. Office space leased or sold by a parent bank to its subsidiary engaged in securities activities shall be separate and distinct from the office space of the parent bank.

(c) Each bank subsidiary engaged in securities activities may employ parent bank employees provided those employees are fairly compensated by the bank subsidiary.

(d) Each bank subsidiary engaged in securities activities shall locate no office outside the state of Kansas unless the prior approval of the bank commissioner and the state banking board is obtained.

(Authorized by and implementing K.S.A. 1988 Supp. 9-1101, effective Nov. 20, 1989.)