

No. 557

AN ACT

To further amend subsection B of section one thousand nine of the act, approved the fifteenth day of May, one thousand nine hundred thirty-three (Pamphlet Laws 624), entitled, as amended, "An act relating to the business of banking, and to the exercise of fiduciary powers by corporations; providing for the organization of corporations with fiduciary powers, and of banking corporations, with or without fiduciary powers, including the conversion of National banks into State banks, and for the licensing of private bankers and employes' mutual banking associations; defining the rights, powers, duties, liabilities, and immunities of such corporations, or existent corporations authorized to engage in a banking business, with or without fiduciary powers, of private bankers and employes' mutual banking associations, and of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations, employes' mutual banking associations or private bankers, or of affiliated corporations, associations, or persons; restricting the exercise of banking powers by any other corporation, association, or person, and of fiduciary powers by any other corporation; conferring powers and imposing duties upon the courts, prothonotaries, recorders of deeds, and certain State departments, commissions, and officers; imposing penalties; and repealing certain acts and parts of acts," by further limiting the amount which may be invested in shares of other banking institutions.

"Banking Code."

The General Assembly of the Commonwealth of Pennsylvania hereby enacts as follows:

Subsection B of section 1009, act of May 15, 1933, P. L. 624, as last amended by act of April 21, 1949, P. L. 685, further amended.

Section 1. Subsection B of section one thousand nine of the act, approved the fifteenth day of May, one thousand nine hundred thirty-three (Pamphlet Laws 624), entitled, as amended, "An act relating to the business of banking, and to the exercise of fiduciary powers by corporations; providing for the organization of corporations with fiduciary powers, and of banking corporations, with or without fiduciary powers, including the conversion of National banks into State banks, and for the licensing of private bankers and employes' mutual banking associations; defining the rights, powers, duties, liabilities, and immunities of such corporations, of existent corporations authorized to engage in a banking business, with or without fiduciary powers, of private bankers and employes' mutual banking associations, and of the officers, directors, trustees, shareholders, attorneys, and other employes of all such corporations, employes' mutual banking associations or private bankers, or of affiliated corporations, associations, or persons; restricting the exercise of banking powers by any other corporation, association, or person, and of fiduciary powers by any other corporation; conferring powers and imposing

duties upon the courts, prothonotaries, recorders of deeds, and certain State departments, commissions, and officers; imposing penalties; and repealing certain acts and parts of acts," as last amended by the act, approved the twenty-first day of April, one thousand nine hundred forty-nine (Pamphlet Laws 685), is hereby further amended to read as follows:

Section 1009. Limitation upon Investing in Shares.—

* * * * *

B. Any bank or bank and trust company may purchase or invest an amount not in excess of ten per centum of its unimpaired capital and ten per centum of its unimpaired surplus in the shares of any national banking association, located within this Commonwealth, or the shares of any bank, bank and trust company, or trust company, incorporated under the laws of this Commonwealth: *Provided, That no such purchase or investment may be made if the resulting ownership of shares in such national banking association or bank, bank and trust company or trust company exceeds ten per centum of the authorized capital of such national banking association or bank, bank and trust company or trust company.* [and any] Any bank or bank and trust company may purchase or invest in the shares of a Federal Reserve Bank, or the shares of any corporation organized under the laws of this Commonwealth solely for the purpose of conducting a safe deposit business, without regard to any limitations prescribed by this act.

This subsection shall not be construed to affect the shares of any national banking association located within this Commonwealth, or the shares of any bank, bank and trust company, or trust company incorporated under the laws of this Commonwealth, lawfully held on the effective date of this amendment. However, such shares shall be computed in determining the power under this act of a bank or bank and trust company to make any additional purchases of, or investment in, such shares.

Section 2. The provisions of this act shall become effective immediately upon final enactment.

Act effective immediately.

APPROVED—The 14th day of January, A. D. 1952.

JOHN S. FINE