regulatory agency, that a foreign banking office has sent checks to the depository bank that are restricted transactions. Such procedures may address sending notification to the foreign banking office, such as in the form of the notice contained in the appendix to this part.

(f) Money transmitting business examples. The policies and procedures of an operator of a money transmitting business are deemed to be reasonably designed to identify and block or otherwise prevent or prohibit restricted transactions if they—

(1) Address methods for the operator to conduct due diligence in establishing a commercial customer relationship as set out in §233.6(b);

(2) Address methods for the operator to conduct due diligence as set out in §233.6(b)(2)(ii)(B) in the event that the operator has actual knowledge that an existing commercial customer engages in an Internet gambling business;

(3) Include procedures regarding ongoing monitoring or testing by the operator to detect potential restricted transactions, such as monitoring and analyzing payment patterns to detect suspicious payment volumes to any recipient; and

(4) Include procedures when the operator has actual knowledge that a commercial customer of the operator has received restricted transactions through the money transmitting business, that address—

(i) The circumstances under which money transmitting services should be denied to that commercial customer; and

(ii) The circumstances under which the commercial customer account should be closed.

§233.7 Regulatory enforcement.

The requirements under this part are subject to the exclusive regulatory enforcement of—

(a) The Federal functional regulators, with respect to the designated payment systems and participants therein that are subject to the respective jurisdiction of such regulators under section 505(a) of the Gramm-Leach-Bliley Act (15 U.S.C. 6805(a)) and section 5g of the Commodity Exchange Act (7 U.S.C. 7b-2); and

(b) The Federal Trade Commission, with respect to designated payment systems and participants therein not otherwise subject to the jurisdiction of any Federal functional regulators (including the Commission) as described in paragraph (a) of this section.

APPENDIX A TO PART 233—MODEL NOTICE

[Date]
[Name of foreign sender or foreign banking office]
[Address]
Re: U.S. Unlawful Internet Gambling Enforcement Act Notice
Dear [Name of foreign counterparty]:

On [date], U.S. government officials informed us that your institution processed payments through our facilities for Internet gambling transactions restricted by U.S. law on [dates, recipients, and other relevant information if available].

We provide this notice to comply with U.S. Government regulations implementing the Unlawful Internet Gambling Enforcement
Act of 2006 (Act), a U.S. federal law. Our poli-
cies and procedures established in accord-
cance with those regulations provide that we
will notify a foreign counterparty if we learn
that the counterparty has processed pay-
ments through our facilities for Internet
gambling transactions restricted by the Act.
This notice ensures that you are aware that
we have received information that your in-
stitution has processed payments for Inter-
net gambling restricted by the Act.

The Act is codified in subchapter IV, chap-
et seq.). Implementing regulations that dupli-
cate one another can be found at part 233 of
title 12 of the U.S. Code of Federal Regula-
tions (12 CFR part 233) and part 132 of title 31
of the U.S. Code of Federal Regulations (31
CFR part 132).

PART 250—MISCELLANEOUS

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INTERPRETATIONS OF SECTION 32 OF THE
GLASS-STEAGALL ACT

§ 250.141 Member bank purchase of
stock of "operations subsidiaries."
(a) The Board of Governors has reex-
amined its position that the so-called
"stock-purchase prohibition" of section
5136 of the Revised Statutes (12
U.S.C. 24), which is made applicable to
member State banks by the 20th para-
graph of section 9 of the Federal Re-
serve Act (12 U.S.C. 335), forbids the
purchase by a member bank "for its
own account of any shares of stock of
any corporation" (the statutory lan-
guage), except as specifically permitted
by provisions of Federal law or as com-
prised within the concept of "such inci-
dental powers as shall be necessary to
carry on the business of banking", re-
ferred to in the first sentence of para-
graph "Seventh" of R.S. 5136.
(b) In 1966 the Board expressed the
view that said incidental powers do not
permit member banks to purchase
stock of "operations subsidiaries"—