

The MTC Financial Reg. Group is considering changes to the Model Financial Regulation (OAR 150-314.280-(N)). At the last conference call, we discussed changes I had drafted to address fees and income from trust activity and activity related to investments on behalf of bank customers. Based on the discussion, I redrafted the proposals to read as follows:

I. Add a new subsection under "Section 3. Receipts Factor" to read as follows:

"Receipts from trust and investment management activities in connection with trusts. The numerator of the receipts factor includes fees and other receipts from trust services, including investment management of assets and other activities in connection with a trust if the trust is situated in this state as of the date it was established.

II. Add a new subsection under "Section 3. Receipts Factor" to read as follows:

"Receipts from investment management activities performed by a financial institution on behalf of other persons. The numerator of the receipts factor includes fees and other receipts from investment management activities performed by a financial institution on behalf of other persons if the address of the person for whom the financial institution performs the investment management activities is in this state."

III. Revise (m):

"(m) Receipts from the financial institution's investment assets and activities and trading assets and activities.

Deleted: from

(1) Interest, dividends, net gains (but not less than zero) and other income from investment assets and activities and from trading assets and activities engaged in by a financial institution for its own account, and not on behalf of other persons, shall be included in the receipts factor. * * *

Marilyn Harbur