join a mutual exchange or clearinghouse, unless the potential liability of
the investor to the exchange, clearinghouse, or other members of the ex-
change, as the case may be, is legally limited by the rules of the exchange or
clearinghouse to an amount that does not exceed applicable general consent
limits under §211.9 of this part;

(19) Acting as principal or agent in commodity-swap transactions in rela-
tion to:

(i) Swaps on a cash-settled basis for any commodity, provided that the in-
vestor's portfolio of swaps contracts is hedged in a manner consistent with
safe and sound banking practices; and

(ii) Contracts that require physical delivery of a commodity, provided
that:

(A) Such contracts are entered into solely for the purpose of hedging the
investor's positions in the underlying commodity or derivative contracts
based on the commodity;

(B) The contract allows for assignment, termination or offset prior to ex-
piration; and

(C) Reasonable efforts are made to avoid delivery.

(b) Regulation Y activities. An investor may engage in activities that the
Board has determined in §225.28(b) of Regulation Y (12 CFR 225.28(b)) are
closely related to banking under section 4(c)(8) of the BHC Act (12 U.S.C.
1843(c)(8)).

(c) Specific approval. With the Board's specific approval, an investor may en-
gage in other activities that the Board determines are usual in connection
with the transaction of the business of banking or other financial operations
abroad and are consistent with the FRA or the BHC Act.

§211.11 Advisory opinions under Regulation K.

(a) Request for advisory opinion. Any person may submit a request to the
Board for an advisory opinion regarding the scope of activities permissible
under any subpart of this part.

(b) Form and content of the request. Any request for an advisory opinion
under this section shall be:

(1) Submitted in writing to the Board;

(2) Contain a clear description of the proposed parameters of the activity, or
the service or product, at issue; and

(3) Contain a concise explanation of the grounds on which the submitter
contends the activity is or should be considered by the Board to be permis-
sible under this part.

(c) Response to request. In response to a request received under this section,
the Board shall:

(1) Direct the submitter to provide such additional information as the
Board may deem necessary to complete the record for a full consideration of
the issue presented; and

(2) Provide an advisory opinion within 45 days after the record on the re-
quest has been determined to be complete.

§211.12 Lending limits and capital re-
quirements.

(a) Acceptances of Edge corporations.

(i) Limitations. An Edge corporation shall be and remain fully secured for
acceptances of the types described in section 13(7) of the FRA (12 U.S.C. 372),
as follows:

(i) All acceptances outstanding in ex-
cess of 200 percent of its tier 1 capital;

(ii) All acceptances outstanding for
any one person in excess of 10 percent
of its tier 1 capital.

(2) Exceptions. These limitations do not apply if the excess represents the
international shipment of goods, and the Edge corporation is:

(i) Fully covered by primary obliga-
tions to reimburse it that are guaran-
teed by banks or bankers; or

(ii) Covered by participation agree-
ments from other banks, as described
in 12 CFR 250.165.

(b) Loans and extensions of credit to
one person—(1) Loans and extensions of
credit defined. Loans and extensions of
credit has the meaning set forth in
§211.2(q) of this part and, for purposes
of this paragraph (b), also include:

4In the case of a foreign government, these includes loans and extensions of credit to the
foreign government's departments or agen-
cies deriving their current funds principally
from general tax revenues. In the case of a
partnership or firm, these include loans and
extensions of credit to its members and, in
Continued