§ 204-a. Payment of claims by foreign banking corporations where adverse claim is asserted; effect of claims or advices originating in, and statutes, rules or regulations purporting to be in force in occupied territory; performance of contracts and repayment of deposits performable or repayable at foreign offices of foreign banking corporations. 1. Notice to any foreign banking corporation doing business in this state under a license issued by the superintendent in accordance with the provisions of this chapter, of an adverse claim to a credit standing on its books to the account of any person, or to the balance in any deposit account, or of an adverse claim to securities or other property held for the account of any person, shall not be effectual in this state to cause said foreign banking corporation to recognize said adverse claimant unless said adverse claimant shall also either procure a restraining order, injunction or other appropriate process against said foreign banking corporation from a court of competent jurisdiction in the United States in a cause therein instituted by him wherein the person to whose account the credit or deposit stands, or for whose account the securities or other property are held, or his executor or administrator is made a party and served with summons, or shall execute to said foreign banking corporation, in form and with sureties acceptable to it a bond, indemnifying said foreign banking corporation from any and all liability, loss, damage, costs and expenses, for and on account of the payment of or delivery pursuant to such adverse claim or the dishonor of the order of the person to whose account the credit or deposit stands on the books of said foreign banking corporation or for whose account the securities or other property are held by said foreign banking corporation.

2. (a) A foreign banking corporation doing business in this state under a license issued by the superintendent in accordance with the provisions of this chapter, need not in this state recognize or give any effect to (1) any claim to a credit standing on its books to the account of, or the balance in any deposit account of, or any claim to securities, or other property held by it for the account of, any corporation, firm or association in occupied territory or (2) any advice, statute, rule or regulation purporting to cancel or to give notice of the cancellation of the authority of any person at the time

appearing on the books of such foreign banking corporation as authorized to withdraw or otherwise dispose of cash, securities, or other property of such corporation, firm or association, unless such foreign banking corporation is required so to do by appropriate process procured against it in a court of competent jurisdiction in the United States in a cause therein instituted by or in the name of such corporation, firm or association, or unless the person making such claim or giving such advice or invoking such statute, rule or regulation, as the case may be, shall execute to such foreign banking corporation, in form and with sureties acceptable to it, a bond indemnifying it from any and all liability, loss, damage, costs and expenses for and on account of recognizing or giving any effect to such claim, advice, statute, rule or regulation.

(b) For the purposes of this subdivision (1) the term "occupied territory" shall mean territory occupied by a dominant authority asserting governmental, military or police powers of any kind in such territory, but not recognized by the United States as the de jure government of such territory, and (2) the term "corporation, firm or association in occupied territory" shall mean a corporation, firm or association which has, or at any time has had, a place of business in territory which has at any time been occupied territory.

(c) The foregoing provisions of this subdivision shall be effective only in cases where (1) such claim or advice purports or appears to have been sent from or is reasonably believed to have been sent pursuant to orders originating in, such occupied territory during the period of occupation, or (2) such statute, rule or regulation appears to have emanated from such dominant authority and purports to be or to have been in force in such occupied territory during the period of occupation.

(d) The foregoing provisions of this subdivision shall apply to claims, advices, statutes, rules or regulations made, given or invoked either prior to, or on or subsequent to the effective date of this act.

(e) A foreign banking corporation doing business in this state under a license issued by the superintendent in accordance with the provisions of this chapter need not in this state recognize or give any effect to a claim of authority to order the payment or delivery of any funds or other property standing on its books to the credit of, or held by it for the account of, any person, corporation, unincorporated association or

partnership, which claim conflicts with a claim of authority of which the foreign banking corporation had prior notice, unless the person or persons asserting such subsequent claim shall procure a restraining order, injunction or other appropriate process against said foreign banking corporation from a court of competent jurisdiction in the United States, or, in lieu thereof, at the option of said foreign banking corporation, shall execute to said foreign banking corporation, in form and with sureties acceptable to it, a bond, indemnifying it for any and all liability, loss, damage, costs and expenses for or on account of any payment or delivery of such property by it pursuant to such subsequent claim of authority or for or on account of the dishonor of any check or other order of any person or persons asserting the claim of authority of which such foreign banking corporation already had notice at the time the subsequent conflicting claim of authority is asserted by the person or persons furnishing such bond.

3. (a) Notwithstanding section 1--301 of the uniform commercial code, any foreign banking corporation doing business in this state under a license issued by the superintendent in accordance with the provisions of this chapter shall be liable in this state for contracts to be performed at its office or offices in any foreign country, and for deposits to be repaid at such office or offices, to no greater extent than a bank, banking corporation or other organization or association for banking purposes organized and existing under the laws of such foreign country would be liable under its laws. The laws of such foreign country for the purpose of this subdivision shall be deemed to include all acts, decrees, regulations and orders promulgated or enforced by a dominant authority asserting governmental, military or police power of any kind at the place where any such office is located, whether or not such dominant authority be recognized as a de facto or de jure government.

(b) Notwithstanding section 1--301 of the uniform commercial code, if by action of any such dominant authority which is not recognized by the United States as the de jure government of the foreign territory concerned, any property situated in or any amount to be received in such foreign territory and carried as an asset of any office of such foreign banking corporation in such foreign territory is seized, destroyed or

cancelled, then the liability, if any, in this state of such foreign banking corporation for any deposit theretofore received and thereafter to be repaid by it, and for any contract theretofore made and thereafter to be performed by it, at any office in such foreign territory shall be reduced pro tanto by the proportion that the value (as shown by the books or other records of such foreign banking corporation, at the time of such seizure, destruction or cancellation) of such assets bears to the aggregate of all the deposit and contract liabilities of the office or offices of such foreign banking corporation in such foreign territory, as shown at such time by the books or other records of such foreign banking corporations. Nothing contained in this paragraph shall diminish or otherwise affect the liability of any such foreign banking corporation to any corporation, firm or individual which at the time of such seizure, destruction or cancellation was incorporated or resident in any state of the United States.

(c) Notwithstanding the provisions of any law to the contrary, a foreign banking corporation operating a branch or branches or an agency or agencies in this state shall not be required to repay, at any such branch, branches, agency or agencies in this state, any deposit made at a foreign office of any such foreign banking corporation if such office cannot repay the deposit due to (i) an act of war, insurrection, or civil strife; or (ii) an action by a foreign government or instrumentality, whether de jure or de facto, in the country in which the office is located preventing such repayment, unless the foreign banking corporation operating in this state has expressly agreed in writing to repay the deposit under such circumstances. The superintendent of financial services may promulgate regulations necessary to effectuate the provisions of this paragraph, including regulations providing for adequate disclosure to retail depositors in the United States of the restrictions on repayment contained in this subdivision. The provisions of this paragraph shall not alter or diminish the liability of a custodian of assets of a fund under section one hundred seventy-eight-a of the retirement and social security law.