

Ch. 2

LAWS OF MARYLAND

1. AN INDIVIDUAL WHO IS NOT A RESIDENT OF THE UNITED STATES;
2. A COMPANY, PARTNERSHIP, OR TRUST THAT IS NOT ORGANIZED UNDER THE LAWS OF THE UNITED STATES OR OF A STATE; AND
3. A FOREIGN BRANCH OF A COMPANY ORGANIZED UNDER THE LAWS OF THE UNITED STATES OR OF A STATE.

(II) "FOREIGN PERSON" INCLUDES:

1. A FOREIGN GOVERNMENT OR ANY OF ITS UNITS;
2. AN INTERNATIONAL ORGANIZATION OR ANY OF ITS AGENCIES;
3. AN INTERNATIONAL BANKING FACILITY; OR
4. A COMPANY OR PARTNERSHIP THAT IS NOT ORGANIZED UNDER THE LAWS OF THE UNITED STATES OR OF A STATE AND THAT HAS AN OFFICE AND ACTIVITIES WITHIN AN APPROVED FOREIGN TRADE ZONE.

(3) "INTERNATIONAL BANKING FACILITY" MEANS A FINANCIAL INSTITUTION THAT:

(I) QUALIFIES AS AN INTERNATIONAL BANKING FACILITY UNDER THE LAWS OF THE UNITED STATES OR UNDER REGULATIONS THAT THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM ADOPTS;

(II) IS LOCATED IN A COUNTY WHERE AN APPROVED FOREIGN TRADE ZONE IS LOCATED; AND

(III) 1. MAKES, ARRANGES FOR, PLACES, OR SERVICES A LOAN TO A FOREIGN PERSON FOR USE OUTSIDE THE UNITED STATES OR IN AN APPROVED FOREIGN TRADE ZONE IN THE UNITED STATES; OR

2. DERIVES EARNINGS FROM A FOREIGN EXCHANGE TRADING OR HEDGING TRANSACTION THAT IS RELATED TO A LOAN DESCRIBED IN ITEM (III)1. OF THIS PARAGRAPH.

(4) "LIABILITY" MEANS THE TOTAL LIABILITIES SHOWN IN THE RECORDS OF AN INTERNATIONAL BANKING FACILITY.

(B) QUALIFYING AMOUNT -- TREATMENT.

IN COMPUTING TAXABLE NET EARNINGS, AN INTERNATIONAL BANKING FACILITY SHALL:

(1) DEDUCT THE QUALIFYING AMOUNT COMPUTED UNDER SUBSECTION (C) OF THIS SECTION TO THE EXTENT THAT THE AMOUNT IS NOT DEDUCTIBLE IN COMPUTING ITS FEDERAL TAXABLE INCOME; OR