

FEDERAL RESERVE BANK OF DALLAS  
DALLAS, TEXAS 75222

Circular No. 68-21  
January 23, 1968

**AMENDMENT TO REGULATION Q  
“PAYMENT OF INTEREST ON DEPOSITS”**

**To All Member Banks  
in the Eleventh Federal Reserve District:**

Effective January 18, 1968, the Board of Governors of the Federal Reserve System has amended that portion of paragraph (a), section 217.3 of Regulation Q which relates to time deposits of foreign governments, monetary and financial authorities of foreign governments when acting as such, or international financial institutions of which the United States is a member.

These changes permit member banks to pay interest at rates higher than those specified in section 217.6 on certain foreign deposits after October 15, 1968, when the deposit is received, renewed, or extended in the ordinary course of business before that date for a specified period not exceeding two (2) years.

A copy of the amendment is enclosed for insertion in ring binders containing the Regulations of the Board of Governors and the Bulletins of this Bank.

Yours very truly,

Watrous H. Irons  
President

Enclosure (1)

## PAYMENT OF INTEREST ON DEPOSITS

### AMENDMENT TO REGULATION Q

#### (12 CFR PART 217)

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective January 18, 1968, paragraph (a) of section 217.3 is amended to read as follows:

#### **SECTION 217.3 — MAXIMUM RATE OF INTEREST ON TIME AND SAVINGS DEPOSITS**

(a) **Maximum rate prescribed from time to time.**— Except in accordance with the provisions of this part, no member bank shall pay interest on any time deposit or savings deposit in any manner, directly or indirectly, or by any method, practice, or device whatsoever. No member bank shall pay interest on any time deposit or savings deposit at a rate in excess of such applicable maximum rate as the Board of Governors of the Federal Reserve System shall prescribe from time to time; and any rate or rates which may be so prescribed by the Board will be set forth in supplements to this part, which will be issued in advance of the date upon which such rate or rates become effective. Under explicit provisions of the Federal Reserve Act, until October 15, 1968, the provisions of this paragraph do not apply to the rate of interest that may be paid by member banks on time deposits of foreign governments, monetary and financial authorities of foreign governments when acting as such, or international financial institutions of which the United States is a member. The provisions of this paragraph shall likewise not apply to the rate of interest that may be paid by a member bank after October 15, 1968, on such a deposit which is received, renewed, or extended, in the ordinary course of business and for a specified period not exceeding two years, prior to the expiration of the authority conferred upon the Board by the amendments to section 19(j) of the Federal Reserve Act enacted September 21, 1966.