

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 69-227
September 5, 1969

To the Member Bank addressed:

In order to moderate the flow of Euro-dollars between U. S. banks and their foreign branches and also between U. S. and foreign banks, the Board of Governors of the Federal Reserve System amended, effective September 4, 1969, Regulation D, Part 204, "Reserves of Member Banks" and Regulation M, Part 213, "Foreign Activities of National Banks" (also applies to State chartered member banks).

The changes include:

1. Establishing a 10 percent reserve requirement against (a) net borrowings by domestic offices of member banks from their foreign branches and (b) assets of foreign branches acquired from domestic offices of its parent bank, to the extent that such borrowing and assets exceed the daily average amounts outstanding in the four weeks ending May 28, 1969.
2. Establishing a 10 percent reserve requirement against credit extended by a foreign branch of a member bank to United States residents, to the extent such credits exceed those in a base period defined as either (a) the amount outstanding on June 25 or 26, 1969 or (b) the daily average amount outstanding in the four weeks ending May 28, 1969.
3. Establishing a 10 percent reserve requirement on borrowings by member banks from banks abroad, with one exception: only three percent reserve is required against such borrowings that do not exceed four percent of a member bank's daily average deposits subject to reserve requirements.

If your bank is not involved in the type of transactions as described in the amendments to Regulations D and M, effective September 4, 1969, please detach and complete the lower portion of this letter and return it in the enclosed stamped, self-addressed envelope as soon as convenient.

Yours very truly,

P. E. Coldwell
President

TO: FEDERAL RESERVE BANK OF DALLAS

ATTENTION ACCOUNTING DEPARTMENT

This Bank does not participate in the types of transactions described in the amendments to Regulation D, "Reserves of Member Banks," and Regulation M, "Foreign Activities of National Banks."

Should this Bank participate in any such transactions at some future date we will so inform you.

(Name)

(Title)

(Bank Name)