

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 79-200

December 6, 1979

AMENDMENTS TO REGULATION Y

Bank Holding Companies and Change in Bank Control
Rules of Procedure and Rules Regarding Delegation of Authority

TO ALL MEMBER BANKS,
BANK HOLDING COMPANIES
AND OTHERS CONCERNED IN THE
ELEVENTH FEDERAL RESERVE DISTRICT:

The Board of Governors of the Federal Reserve System has issued, in final form, amendments to its Regulation Y, Rules of Procedure and Rules Regarding Delegation of Authority. The amendments, which were effective October 24, 1979, address the supervision of Foreign Banking Organizations and Edge Corporations by Federal Reserve Banks.

Enclosed is the text of the Board's order as published in the Federal Register, copies of the amendments to Regulation Y, and Rules of Procedure. The amendments are being printed in the new format recently adopted by this Reserve Bank. All current amendments including those recently adopted, are included in the slipsheet for each regulation and rule affected. Member Banks and others should file the enclosed amendments in their Regulations Binders. Please destroy all previous slipsheets for Regulation Y and Rules of Procedure.

Please note that the printed copy of the amendments to Rules Regarding Delegation of Authority is not being furnished at this time. This amendment will be incorporated into a new pamphlet which will be distributed in the near future.

Any questions concerning these amendments to Regulation Y and Rules Regarding Delegation of Authority should be directed to the Attorney's Section of our Holding Company Supervision Department, Ext. 6182. Inquiries regarding Rules of Procedure should be directed to our Legal Department, Ext. 6228.

Additional copies of the amendments will be furnished upon request to the Secretary's Office of this Bank, Ext. 6267.

Sincerely yours,

Robert H. Boykin

First Vice President

Enclosures

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
RULES OF PROCEDURE

AMENDMENTS

1. Section 262.3(g)(4) is amended by deleting the words, "Each such Order is published in the Federal Register."

2. Effective November 6, 1978, section 262.3 is amended by adding a new subsection (b) to read as follows:

SECTION 262.3 — APPLICATIONS

* * * * *

(b) **Notice of applications.** (1) In the case of applications,

(i) for membership in the Federal Reserve System where such membership would confer Federal deposit insurance on a bank,

(ii) by a State member bank for the establishment of a domestic branch or other facility that would be authorized to receive deposits,

(iii) by a State member bank for the relocation of a domestic branch office,

(iv) for merger, consolidation, or acquisition of assets or assumption of liabilities, if the acquiring, assuming, or resulting bank is to be a State member bank,

(v) to become a bank holding company, and

(vi) by a bank holding company to acquire ownership or control of shares or assets of a bank, or to merge or consolidate with any other bank holding company,

the applicant shall, prior to filing such application, cause to be published on the same day of each of two consecutive weeks a notice containing the name of the applicant or applicants, the subject matter of the application, the location at which the applicant proposes to engage in business, and an invitation to the public to give written comment upon the application to the appropriate Federal Reserve Bank no later than thirty days after the date of publication of the first notice. Such notice shall be published in a newspaper of general circulation in (A) the community in which the head office of the bank is or is to be located in the case of an application for membership that would con-

fer deposit insurance, (B) the community or communities in which the head office of the bank and the proposed branch or other facility (other than an electronic funds transfer facility) are located in the case of an application for the establishment of a domestic branch or other facility that would be authorized to receive deposits, (C) the community or communities in which the head office of the bank, the office to be closed, and the office to be opened are located in the case of an application for the relocation of a domestic branch office, (D) the community or communities in which the head office of each of the banks to be party to the merger, consolidation, or acquisition of assets or assumption of liabilities are located in the case of an application by a bank for merger, consolidation, or acquisition of assets or assumption of liabilities, or (E) the community or communities in which the head offices of the largest subsidiary bank, if any, of an applicant and of each bank, shares of which are to be directly or indirectly acquired, are located in the case of applications under section 3 of the Bank Holding Company Act.

(2) In addition to the foregoing notice, an applicant, in the case of an application to relocate a domestic branch office or other facility that would be authorized to receive deposits, shall post in a conspicuous public place in the lobby of the office to be closed a notice containing the information specified in section 262.3(b)(1). Such notice should be posted on the date of the first notice required by section 262.3(b)(1).

* * * * *

3. Effective October 19, 1978, section 262.3 is amended by adding a new subsection 262.3 (d) to read as follows:

SECTION 262.3 — APPLICATIONS

* * * * *

(d) **Submission of comments and requests for hearing.** The Board will consider a comment or request for hearing with respect to an applica-

For this Regulation to be complete retain:

1) Regulation pamphlet.

2) This slip sheet. (Destroy amendments effective October 19, 1978 and November 6, 1978.

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tion only if it is in writing and is sent to the Secretary of the Board or the appropriate Federal Reserve Bank on or before the date prescribed in the *Federal Register* notice with respect to applications filed under sections 3 or 4 of the Bank Holding Company Act or, in the case of other applications, the date specified in the newspaper notice with respect to such applications, or where no such date is prescribed, on or before the thirtieth day after the date such notice is first published. Similarly, the Board will consider comments on an application from the Attorney General or a banking supervisory authority to which notification of receipt of an application has been given, only if such comment is received by the Secretary of the Board within thirty days of the date of the letter giving such notification. Any comment on an application that requests a hearing must include a statement of why a written presentation would not suffice in lieu of a hearing, identifying specifically any questions of fact that are in dispute and summarizing the evidence that would be presented at a hearing. In every case where a timely comment or request for hearing is received as provided herein, a copy of such comment or request shall be forwarded promptly to the applicant for its response. The Board will consider the applicant's response only if it is in writing and sent to the Secretary of the Board on or before the tenth day after the date of the letter by which it is forwarded to the applicant. At the same time it transmits its response to the Board, the applicant should transmit a copy of its response to the person or supervisory authority making such comment or requesting a hearing. Notwithstanding the foregoing, the Board may, in its sole discretion and without notifying the parties, take into consideration the substance of comments with respect to an application, (but not requests for hearing) that are not received within the time periods provided herein.

* * * * *

4. Effective October 19, 1978, section 262.3 is amended by adding a new subsection 262.3 (i) to read as follows:

SECTION 262.3 — APPLICATIONS

* * * * *

(i) **Reconsideration of certain Board actions.** The Board may reconsider any action taken by it on an application upon receipt by the Secretary of the Board of a written request for reconsideration from any party to such application, on or before the fifteenth day after the effective date of the Board's action. Such request should specify the reasons why the Board should reconsider its action, and present relevant facts that, for good

cause shown, were not previously presented to the Board. Within ten days of receipt of such a request, the General Counsel, acting pursuant to delegated authority (12 C.F.R. 265.2 (b) (7)), shall determine whether or not the request for reconsideration should be granted, and shall notify all parties to the application orally by telephone of this determination within ten days. Such notification will be confirmed promptly in writing. In the exercise of this authority, the General Counsel shall confer with the Directors of other interested Divisions of the Board or their designees. Notwithstanding the foregoing, the Board may, on its own motion if it deems reconsideration appropriate, elect to reconsider its action with respect to any application, and the parties to such application shall be notified by the Secretary of the Board of its election as provided above. If it is determined that the Board should reconsider its action with respect to an application, such action will be stayed and will not be final until the Board has acted on the application upon reconsideration. If appropriate, notice of reconsideration of an application will be published promptly in the *Federal Register*.

* * * * *

As an incident to these amendments, paragraph 262.3(g)(5) is withdrawn. Subsections (b), (c), (d), (e), (f), (g), and (h) are redesignated (c), (e), (f), (g), (h), (j), and (k).

5. Effective October 24, 1979, section 262.3 is amended by deleting subparagraph (k)(5) and revising subparagraph (c) to read as follows:

SECTION 262.3 — APPLICATIONS

* * * * *

(c) **Filing of applications.** Any application should be sent to the Federal Reserve Bank of the district in which the head office of the parent banking organization is located, except as otherwise specified on application forms, and that Bank will forward it to the Board when appropriate; however, in the case of a foreign bank holding company, as defined in section 225.4(g) of this chapter, applications shall be sent to the Federal Reserve Bank of the district in which the operations of the organization's subsidiary banks are principally conducted. In the case of a foreign banking organization that is not a bank holding company but that has one or more branches, agencies, or commercial lending companies in any State of the United States or the District of Columbia, applications shall be sent to the Federal Reserve Bank of the district in which the organization's banking assets are the largest. Applications of a member bank subsidiary, however, should be filed with the Reserve Bank of the district in which the member bank is located.

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM
BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL

AMENDMENTS TO REGULATION Y †

As amended effective October 24, 1979

1. Effective January 1, 1979, as to applications accepted by any Federal Reserve Bank on or after that date, section 225.4 is amended by revising subparagraphs (b)(1) and (b)(2) to read as follows:

SECTION 225.4—NONBANKING ACTIVITIES

* * * * *

(b)(1) **De novo entry.** A bank holding company may engage *de novo* (or continue to engage in an activity earlier commenced *de novo*), directly or indirectly, solely in activities described in paragraph (a) of this section, 45 days after the company has furnished its Reserve Bank a notice of the proposal (in substantially the same form as F.R. Y-4A), unless the company is notified to the contrary within that time or unless it is permitted to consummate the transaction at an earlier date on the basis of exigent circumstances of a particular case. The Board will publish in the *Federal Register* notice of any such proposal and will give interested persons an opportunity to express their views on the proposal to the Reserve Bank. If adverse comments of a substantive nature are received within the time specified in the notice,¹¹ or if it otherwise appears appropriate in a particular case, the Reserve Bank may inform the company that (i) the proposal shall not be consummated until specifically authorized by the Reserve Bank or by the Board or (ii) the proposal should be processed in accordance with the procedures of subparagraph (2) of this paragraph. With respect to activities to be engaged in outside the United States, the procedures of this sub-

¹¹ If a Reserve Bank decides that adverse comments are not of a substantive nature, the person submitting the comments may request review by the Board of that decision in accordance with the provisions of § 265.3 of the Board's Rules Regarding Delegation of Authority (12 CFR 265.3) by filing a petition for review with the Secretary of the Board.

paragraph apply solely to activities to be engaged in directly by a domestic bank holding company or by domestic nonbank subsidiaries of any bank holding company. Paragraphs (f) and (g) of this section govern other international operations of bank holding companies.

(2) **Acquisition of going concern.** A bank holding company may apply to the Board to acquire or retain the assets of or shares in a company engaged solely in activities described in paragraph (a) of this section by filing an application with its Reserve Bank (Form F.R. Y-4). The Board will publish in the *Federal Register* a notice of any such application and will give interested persons an opportunity to express their views (including, where appropriate, by means of a hearing) on the question whether performance of the activity proposed by the holding company can reasonably be expected to produce benefits to the public, such as greater convenience, increased competition or gains in efficiency, that outweigh possible adverse effects, such as undue concentration of resources, decreased or unfair competition, conflicts of interests, or unsound banking practices.

* * * * *

2. Effective March 10, 1979, the title to Regulation Y is revised to read "Part 225-Bank Holding Companies and Change in Bank Control" and section 225.1 is revised to read as follows:

**SECTION 225.1—AUTHORITY, SCOPE,
AND DEFINITIONS**

(a) **Authority and scope.** This Part is issued by the Board of Governors of the Federal Reserve System under section 5(b) of the Bank Holding Company Act of 1956 ("the Act") (12 U.S.C. § 1844(b)) and section 7(j)(13) of the Federal Deposit Insurance Act, as amended by the Change in Bank Control Act of 1978 ("the Control Act"), (12 U.S.C. § 1817(j)(13)). Sections 225.2 through

† For this Regulation to be complete as amended October 24, 1979, retain:

- 1) Printed Regulation pamphlet dated April 5, 1978.
- 2) This slip sheet (Destroy amendments effective January 1, 1979, Section 225.4(b); March 10, 1979, Section 225.1; March 10, 1979, Section 225.7; April 2, 1979, Section 225.4(a); and June 14, 1979, Section 225.4(f).

225.6 of this Part implement the Act, and section 225.7 of this Part implements the Control Act.

(b) **Terms used in the Act.** As used in this Part, the terms "bank holding company," "company," "bank," "subsidiary," and "Board" have the same meanings as those given such terms in the Act. As used in section 225.7 of this Part, the term "person" has the meaning given it in the Control Act.

(c) **Federal Reserve Bank.** The term "Federal Reserve Bank" as used in this Part with respect to action by, on behalf of, or directed to be taken by a bank holding company or other organization shall mean either the Federal Reserve Bank of the Federal Reserve district in which the operations of the bank holding company or other organization are principally conducted, as measured by total deposits held or controlled by it on the date on which it became, or is to become, a bank holding company, or such Reserve Bank as the Board may designate. With respect to notices filed and other actions taken under the Control Act, the term refers to the Federal Reserve Bank for institution to be acquired, as determined by the preceding sentence in the case of bank holding companies and by section 9 of the Federal Reserve Act in the case of State member banks.

3. Effective March 10, 1979, Regulation Y is amended by adding a new section, § 225.7, as follows:

SECTION 225.7—CHANGE IN BANK CONTROL

(a) **Acquisitions of Control.**¹⁴ Under the Control Act, acquisitions by a person or persons acting in concert of the power to vote 25 per cent or more of a class of voting securities of a bank holding company or State member bank, unless exempted, require prior notice to the Board. In addition, a purchase, assignment, transfer, pledge, or other disposition of voting stock through which any person will acquire ownership, control, or the power to vote ten per cent or more of a class of voting securities of a bank holding company or State member bank will be deemed to be an acquisition by such person of the power to direct that institution's management or policies if:

(1) the institution has issued any class of securities subject to registration under section 12 of the Securities Exchange Act of 1934 (15 U.S.C. § 781); or

(2) immediately after the transaction no

¹⁴ Control is defined in the Control Act as the power, directly or indirectly, to direct the management or policies, or to vote 25 per cent or more of any class of voting securities, of an institution. 12 U.S.C. § 1817(j)(8)(B).

other person will own a greater proportion of that class of voting securities.

Other transactions resulting in a person's control of less than 25 per cent of a class of voting shares of a bank holding company or State member bank would not result in control for purposes of the Act. An acquiring person may request an opportunity to contest the presumption established by this paragraph with respect to a proposed transaction. The Board will afford the person an opportunity to present views in writing or, where appropriate, orally before its designated representatives either at informal conference discussions or at informal presentations of evidence.

(b) **Notices.** Section 265.3 of the Board's Rules of Procedure governs the submission of notices required by the Control Act, except that notices should be sent to the Federal Reserve Bank of the district in which the affected bank or bank holding company is located. Notice shall not be considered given unless information provided is responsive to every item specified in paragraph 6 of the Control Act (12 U.S.C. § 1817(j)(6)), or every item prescribed in the appropriate Board forms. With respect to personal financial statements required by paragraph 6(B) of the Control Act, an individual acquirer may include a current statement of assets and liabilities, as of a date within 90 days of the notice, a brief income summary, and a statement of material changes since the date thereof, subject to the authority of the Federal Reserve Bank or the Board to require additional information.

(c) **Exempt transactions.** The following transactions are not subject to the prior notice requirements of the Control Act:

(1) the acquisition of additional shares of a bank holding company or State member bank by a person who continuously since March 9, 1979, held power to vote 25 per cent or more of the voting shares of that institution, or by a person who has acquired and maintained control of that institution after complying with the Control Act's procedures;

(2) the acquisition of additional shares of a bank holding company or State member bank by a person who under paragraph (a) of this section would be deemed to have controlled that institution continuously since March 9, 1979, if:

(i) the transaction will not result in that person's direct or indirect ownership or power to vote 25 per cent or more of any class of voting securities of the institution; or

(ii) in other cases, the Board determines that the person has controlled the institution continuously since March 9, 1979;

(3) the acquisition of shares in satisfaction of a debt previously contracted in good faith or through testate or intestate succession or bona fide gift, provided the acquirer advises the Federal Reserve Bank within thirty days after the acquisition and provides any information specified in paragraph 6 of the Control Act that the Reserve Bank requests;

(4) a transaction subject to approval under section 3 of the Bank Holding Company Act or section 18 of the Federal Deposit Insurance Act;

(5) a transaction described in sections 2(a)(5) or 3(a)(A) or (B) of the Bank Holding Company Act by a person there described;

(6) a customary one-time proxy solicitation and receipt of pro-rata stock dividends; and

(7) the acquisition of shares of a foreign bank holding company, as defined in section 225.4(g) of this Part, provided this exemption does not extend to the reports and information required under paragraphs 9, 10, and 12 of the Control Act (12 U.S.C. § 1817(j)(9), (10), and (12)).

4. Effective April 2, 1979, section 225.4(a) is amended by adding the following new paragraph (13) immediately following § 225.4(a) (12):

SECTION 225.4—NONBANKING ACTIVITIES

* * * * *

(13) The sale at retail of money orders having a face value of not more than \$1,000 and travelers checks and the sale of U.S. savings bonds.

* * * * *

5. Effective October 24, 1979, section 225.1 is amended by revising subparagraph (b). Section 225.4 is amended by revising subparagraph (g)(3). The amendments read as follows:

SECTION 225.1 — DEFINITIONS

(b) **Federal Reserve Bank.** The term "Federal Reserve Bank" as used in this Part with respect to action by, on behalf of, or directed to be taken by a bank holding company or other organization shall mean either the Federal Reserve Bank of the Federal Reserve district in which the operations of the bank holding company or other organization are principally conducted, as measured by total deposits held or controlled by it in subsidiary banks on the date on which it became, or is to become, a bank holding company, or such Reserve Bank as the Board may designate. In the case of a foreign banking organization that is not a bank holding company but which has one or more branches, agencies, or commercial lending companies located in any State of the United States or the District of Columbia, "Federal Reserve Bank" shall mean, unless otherwise determined by the Board, the Reserve Bank of the district in which its banking assets are the largest as of the later of January 1, 1980, or the date that it establishes its first branch, agency, or commercial lending company.

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SECTION 225.4 — NONBANKING ACTIVITIES

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(g) **Foreign bank holding companies.**

* * * * *

(3) A foreign bank holding company that is of the opinion that other activities or investments may, in particular circumstances, meet the conditions for an exemption under section 4(c)(9) of the Act may apply to the Board for such determination by submitting to its Reserve Bank a letter setting forth the basis for that opinion.

* * * * *

FEDERAL RESERVE SYSTEM
12 CFR Parts 225, 262, and 265

[Docket No. R-0255]

Supervision of Foreign Banking Organizations and Edge Corporations by Federal Reserve Banks**AGENCY:** Board of Governors of the Federal Reserve System.**ACTION:** Final rule.

SUMMARY: The Board has amended its regulations to assign responsibility for receiving applications and reports from a foreign bank that does not have a subsidiary bank in the United States to the Federal Reserve Bank of the district in which banking assets of the foreign bank are the largest. In addition, the Board has amended its regulations to transfer primary responsibility for the supervision, examination, and processing of applications of an Edge Corporation from the Reserve Bank of the district in which such Corporation is located to the Reserve Bank responsible for supervising the Corporation's parent holding company or bank. The amendments are being adopted in order to centralize in one Reserve Bank the responsibility for supervising the operations of banking organizations headquartered in its district.

EFFECTIVE DATE: October 24, 1979.

FOR FURTHER INFORMATION CONTACT: C. Keefe Hurley, Senior Counsel (202-452-3289), or Michael L. Kadish, Attorney (202-452-3428), Legal Division, Board of Governors of the Federal Reserve System.

SUPPLEMENTARY INFORMATION: Section 25(a) of the Federal Reserve Act (12 U.S.C. 611-631) provides for the organization of corporations for the purpose of engaging in international or foreign banking and financial operations ("Edge Corporations"), subject to such rules and regulations as the Board may prescribe. In accordance with the Board's Regulation K, the Board's Rules of Procedure, and the Board's Rules Regarding Delegation of Authority, each Edge Corporation is required to submit reports to and subject itself to examinations by the Reserve Bank of the district in which the Edge Corporation is located. On June 14, 1979, the Board revised Regulation K, 12 CFR

Part 211, affording Edge Corporations wider banking and investment powers. There has been significant growth in the number and size of Edge Corporations, most of which are wholly owned subsidiaries of United States banks or bank holding companies. Because of the close relationship between Edge Corporations and their parent institutions, the Reserve Bank responsible for supervising of the parent organizations should also have responsibility for supervision their subsidiary Edge Corporations. The Board has revised its procedures so that the Reserve Bank of the district where an Edge Corporation's parent holding company or bank is located will be responsible for all of the organization's out-of-district facilities.

A foreign bank that operates one or more branches, agencies, or commercial lending companies in the United States is subject to certain provisions of the Bank Holding Company Act (12 U.S.C. 1841 *et seq.*) and to other supervisory and regulatory requirements as a result of the International Banking Act of 1978. The Board has assigned responsibility for receiving applications and reports from such an institution to the Reserve Bank in whose district the foreign bank's banking assets are largest.

As rules of agency procedure and practice, the notice and public participation provisions of 5 U.S.C. 553 with regard to the Board's action are not applicable. This action is taken pursuant to the Board's authority under sections 11 and 25(a) of the Federal Reserve Act (12 U.S.C. 248, 615), and section 5 of the Bank Holding Company Act (12 U.S.C. 1844).

Effective October 24, 1979, Parts 225, 262, and 265 of 12 CFR Chapter II are amended as follows:

PART 225—BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL

1. By revising § 225.1(b) to read as follows:

§ 225.1 Definitions.

* * * * *

(b) *Federal Reserve Bank.* The term "Federal Reserve Bank" as used in this Part with respect to action by, on behalf of, or directed to be taken by a bank holding company or other organization shall mean either the Federal Reserve Bank of the Federal Reserve district in which the operations of the bank holding company or other organization are principally conducted, as measured by total deposits held or controlled by it in subsidiary banks on the date on which it became, or is to become, a bank holding company, or such Reserve Bank

as the Board may designate. In the case of a foreign banking organization that is not a bank holding company but which has one or more branches, agencies, or commercial lending companies located in any State of the United States or the District of Columbia, "Federal Reserve Bank" shall mean, unless otherwise determined by the Board, the Reserve Bank of the district in which its banking assets are the largest as of the later of January 1, 1980, or the date that it establishes its first branch, agency, or commercial lending company.

2. By revising § 225.4(g)(3) to read as follows:

§ 225.4 Nonbanking activities.

* * * * *

(g) *Foreign bank holding companies.*

(3) A foreign bank holding company that is of the opinion that other activities or investments may, in particular circumstances, meet the conditions for an exemption under section 4(c)(9) of the Act may apply to the Board for such determination by submitting to its Reserve Bank a letter setting forth the basis for that opinion.

PART 262—RULES OF PROCEDURE

3. By revising § 262.3(c) to read as follows:

§ 262.3 Applications.

* * * * *

(c) *Filing of applications.* Any application should be sent to the Federal Reserve Bank of the district in which the head office of the parent banking organization is located, except as otherwise specified on application forms, and that Bank will forward it to the Board when appropriate; however, in the case of a foreign bank holding company, as defined in § 225.4(g) of this chapter, applications shall be sent to the Federal Reserve Bank of the district in which the operations of the organization's subsidiary banks are principally conducted. In the case of a foreign banking organization that is not a bank holding company but that has one or more branches, agencies, or commercial lending companies in any State of the United States or the District of Columbia, applications shall be sent to the Federal Reserve Bank of the district in which the organization's banking assets are the largest. Applications of a member bank subsidiary, however, should be filed with the Reserve Bank of the district in which the member bank is located.

4. By deleting § 262.3(k)(5).

PART 265—RULES REGARDING DELEGATION OF AUTHORITY

5. By revising § 265.2(f) to read as follows:

§ 265.2 Specific functions delegated to Board Employees and to Federal Reserve Banks.

* * * * *

(f) *Each Federal Reserve Bank is authorized as to a member bank or other indicated organization for which the Reserve Bank is responsible for receiving applications or registration statements; as to its officers under subparagraph (23) of this paragraph; and as to its own facilities under subparagraph (26) of this paragraph:*

* * * * *

By order of the Board of Governors of the Federal Reserve System, effective October 24, 1979.

Theodore E. Allison,
Secretary of the Board.

[FR Doc. 79-34405 Filed 11-6-79; 8:45 am]

BILLING CODE 6210-01-M

Rules and Regulations

Federal Register

Vol. 44, No. 222

Thursday, November 15, 1979

FEDERAL RESERVE SYSTEM

12 CFR Part 225

[Docket No. R-0255]

Supervision of Foreign Banking Organizations and Edge Corporations by Federal Reserve Banks; Final Rule; Correction

AGENCY: A Board of Governors of the Federal Reserve System.

ACTION: Final rule; Correction.

SUMMARY: This document corrects a previous Federal Register document (FR Doc. 79-34405) beginning at page 64398 of the issue for Wednesday, November 7, 1979.

DATE: Effective October 24, 1979.

FOR FURTHER INFORMATION CONTACT: C. Keefe Hurley, Senior Counsel (202/452-3269), or Michael L. Kadish, Attorney (202/452-3428), Legal Division, Board of Governors of the Federal Reserve System.

SUPPLEMENTARY INFORMATION: In the third column of page 64398, paragraph "1." of PART 225—BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL is corrected to read as follows:

PART 225—BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL

1. By revising § 225.1(c) to read as follows:

§ 225.1 Authority, scope, and definitions.

(c) *Federal Reserve Bank.* The term "Federal Reserve Bank" as used in this Part with respect to action by, on behalf of, or directed to be taken by a bank holding company or other organization shall mean either the Federal Reserve Bank of the Federal Reserve district in which the operations of the bank

holding company or other organization are principally conducted, as measured by total deposits held or controlled by it in subsidiary banks on the date on which it became or is to become, a bank holding company, or such Reserve Bank as the Board may designate. In the case of a foreign banking organization that is not a bank holding company but which has one or more branches, agencies, or commercial lending companies located in any State of the United States or the District of Columbia "Federal Reserve Bank" shall mean, unless otherwise determined by the Board, the Reserve Bank of the district in which its banking assets are the largest as of the later of January 1, 1980, or the date that it establishes its first branch, agency, or commercial lending company. With respect to notices filed and other actions taken under the Control Act, the term refers to the Federal Reserve Bank for institution to be acquired, as determined by the preceding sentence in the case of bank holding companies and by section 9 of the Federal Reserve Act in the case of State member banks.

Board of Governors of the Federal Reserve System, November 7, 1979.

Theodore E. Allison,

Secretary of the Board.

[FR Doc. 79-35208 Filed 11-14-79; 8:45 am]

BILLING CODE 6210-01-M
