AMENDMENT TO REGULATION K
INTERNATIONAL BANKING OPERATIONS

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 K which will simplify procedures for subsidiaries of U. S. banking organizations to establish branches in foreign countries. A copy of the Board's order as published in the Federal Register is enclosed.

Member banks and others who maintain Regulations Binders should file the enclosed amendment in their binders.

Any questions concerning Regulation K should be directed to the Attorney's Section of our Holding Company Supervision Department, Ext. 6182.

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

Sincerely yours,

Robert H. Boykin
First Vice President

Enclosure

Banks and others are encouraged to use the following incoming WATS numbers in contacting this Bank: 1-800-442-7140 (intrastate) and 1-800-527-9200 (interstate). For calls placed locally, please use 651 plus the extension referred to above.

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This action relieves a procedural restriction and, therefore, the notice and public participation provisions of 5 U.S.C. 553 with regard to the Board's action are unnecessary. This action is taken pursuant to the Board's authority under sections 25 and 25(a) of the Federal Reserve Act (12 U.S.C. 601 et seq.) and section 5(b) of the Bank Holding Company Act (12 U.S.C. 1844(b)).

Effective November 28, 1979, Part 211 of 12 CFR Chapter II is amended as follows:

PART 211—INTERNATIONAL BANKING OPERATIONS

By revising § 211.5 to read as follows:

§ 211.5 Investments in other organizations.

(b) Investment limitations. *

(3) A subsidiary (other than a member bank or an Edge Corporation) may establish a foreign branch with prior approval of the Board. Unless otherwise advised by the Board: (i) a subsidiary (other than a member bank or an Edge Corporation) whose affiliates have offices (other than representative offices) in two or more foreign countries may establish initial branches in additional foreign countries after 60 days' notice to the Board; (ii) a foreign bank subsidiary may, without prior approval or prior notice, establish additional branches in any country in which it operates one or more offices (other than representative offices); and (iii) without prior approval or prior notice, any subsidiary (other than a foreign bank, member bank, or Edge Corporation) may establish additional branches in any foreign country in which any affiliate operates one or more offices (other than representative offices). Authority to establish branches through prior approval or prior notice shall expire one year from the earliest date on which that authority could have been exercised, unless extended by the Board. An investor shall inform the Board within 30 days of the opening, closing, or relocation of a branch and the address of a new or relocated foreign branch.

* * *


Theodore E. Allison,
Secretary of the Board.
Effective November 28, 1979, section 211.5(b) is amended by revising subparagraph (3) to read as follows:

SECTION 211.58—INVESTMENTS IN OTHER ORGANIZATIONS

(b) Investment limitations.

(3) A subsidiary (other than a member bank or an Edge Corporation) may establish a foreign branch with prior approval of the Board. Unless otherwise advised by the Board: (i) a subsidiary (other than a member bank or an Edge Corporation) whose affiliates have offices (other than representative offices) in two or more foreign countries may establish initial branches in additional foreign countries after 60 days’ notice to the Board; (ii) a foreign bank subsidiary may, without prior approval or prior notice, establish additional branches in any country in which it operates one or more offices (other than representative offices); and (iii) without prior approval or prior notice, any subsidiary (other than a foreign bank, member bank, or Edge Corporation) may establish additional branches in any foreign country in which any affiliate operates one or more offices (other than representative offices). Authority to establish branches through prior approval or prior notice shall expire one year from the earliest date on which that authority could have been exercised, unless extended by the Board. An investor shall inform the Board within 30 days of the opening, closing, or relocation of a branch and the address of a new or relocated foreign branch.

† For this Regulation to be complete as amended November 28, 1979, retain:
2) This slip sheet.