

FEDERAL RESERVE BANK OF DALLAS

DALLAS, TEXAS 75222

Circular No. 82-88
July 30, 1982

REGULATION Y

Bank Holding Companies and Change in Bank Control

(Withdrawal of Proposed Rule)

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 announced that it is withdrawing its proposal to add the operation as a futures commission merchant to the list of nonbank activities permissible for bank holding companies. Rather than amending Regulation Y, all such applications will continue to be considered on a case by case basis.

Public comment was requested on the proposal (see Circular No. 81-239, dated December 22, 1981) in connection with an application filed by J. P. Morgan Co. Incorporated, New York, New York, to engage in the subject activity. The text of the Board's notice as published in the Federal Register is printed on the following pages.

Questions regarding the contents of this circular should be directed to David W. Dixon, Regulation Attorney of the Holding Company Supervision Department, Extension 6182.

Additional copies of this circular will be furnished upon request to the Department of Communications, Financial and Community Affairs, Extension 6289.

Sincerely yours,



William H. Wallace
First Vice President

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.

FEDERAL RESERVE SYSTEM

Regulation Y

[12 CFR Part 225]

[Docket No. R-0375]

BANK HOLDING COMPANIES AND CHANGE IN BANK CONTROL

Futures Commission Merchant Activities

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Withdrawal of Proposal.

SUMMARY: The Board of Governors of the Federal Reserve System has decided not to amend Regulation Y so as to include certain futures commission merchant activities on the list of permissible bank holding company activities.

EFFECTIVE DATE: July 9, 1982.

FOR FURTHER INFORMATION CONTACT: Paul R. Schweitzer, Director, Nonbank Activities, (202/452-2918), Division of Research and Statistics; Sidney M. Sussan, Assistant Director, (202/452-2818), Division of Banking Supervision and Regulation; Carl V. Howard, Senior Counsel, (202/452-3786), Legal Division; Board of Governors of the Federal Reserve System.

SUPPLEMENTARY INFORMATION: By notice published in the Federal Register on December 10, 1981 (46 Fed. Reg. 60503 (1981)), the Board requested comment, in connection with an application filed by J. P. Morgan & Co. Incorporated, New York, New York ("Morgan"), pursuant to section 4(c)(8) of the Bank Holding Company Act (12 U.S.C. § 1843(c)(8)) and section 225.4(b)(2) of the Board's Regulation Y (12 CFR § 225.4(b)(2)), on whether to add to the list of activities that the Board has determined to be closely related to banking or managing or controlling banks (12 CFR § 225.4(a)) the activity of engaging as a futures commission merchant (an "FCM") in the execution and clearance on major commodity exchanges of futures contracts covering bullion, foreign exchange, U. S. Government securities, and money market instruments.

By Order dated July 1, 1982, the Board approved Morgan's application to engage in the proposed FCM activities. In connection with its action on Morgan's application, the Board decided not to add these activities to the list of permissible bank holding company activities in the Board's Regulation Y at this time, and to proceed with applications in this area on a case-by-case basis.

List of Subjects in 12 CFR Part 225

Banks, banking; Federal Reserve System; Holding companies;
Reporting requirements; Securities.

By order of the Board of Governors, effective July 9, 1982.

(signed) James McAfee

James McAfee
Associate Secretary of the Board

[SEAL]