

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 5248]
[October 30, 1962]

AMENDMENT TO REGULATION Q
Effective October 15, 1962

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

Enclosed is a copy of an amendment, effective October 15, 1962, to Regulation Q of the Board of Governors of the Federal Reserve System. As announced in our Circular No. 5240, this amendment was issued pursuant to Public Law 87-827, approved October 15, 1962. The law and the amendment to the regulation exempt, for a period of three years, deposits of foreign governments and certain foreign institutions from regulation by the Board of Governors as to the rate of interest that member banks may pay on time deposits.

Additional copies of the amendment will be furnished upon request.

ALFRED HAYES,
President.

PAYMENT OF INTEREST ON DEPOSITS

AMENDMENT TO REGULATION Q

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective October 15, 1962, 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. During the period commencing October 15, 1962, and ending upon the expiration of three years after such date, the provisions of this paragraph shall not apply to the rate of interest which 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.