

FEDERAL RESERVE BANK  
OF NEW YORK

[ Circular No. 5690 ]  
August 17, 1965 ]

AMENDMENT TO REGULATION Q

Effective August 5, 1965

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

Enclosed is a copy of an amendment, effective August 5, 1965, to Regulation Q of the Board of Governors of the Federal Reserve System. The amendment conforms the regulation to the Act of Congress approved July 21, 1965 (Public Law 89-79), which amended the next to the last paragraph of section 19 of the Federal Reserve Act to continue until October 15, 1968, the authority of domestic banks to pay interest on certain foreign time deposits at rates differing from those applicable to domestic time depositors.

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 August 5, 1965, 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 on October 15, 1962, and ending on October 15, 1968, 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.