

FEDERAL RESERVE BANK  
OF NEW YORK

Circular No. 6368  
July 17, 1969

Terms Used by Board of Governors in Reports on Competitive  
Factors in Proposed Mergers and Their Definitions

To All Banks, and Others Concerned,  
in the Second Federal Reserve District:

The Board of Governors of the Federal Reserve System has made public the terms it uses in reports on the competitive factors involved in proposed bank mergers and the definitions of such terms. Printed below is an excerpt from the Federal Register of July 10, containing the text of the Board's statement.

Additional copies of this circular will be furnished upon request.

Alfred Hayes,  
President.

**Title 12—BANKS AND BANKING**  
**Chapter II—Federal Reserve System**

**SUBCHAPTER A—BOARD OF GOVERNORS OF  
THE FEDERAL RESERVE SYSTEM**

**PART 250—MISCELLANEOUS  
INTERPRETATIONS**

**Bank Mergers**

**§ 250.182 Terms defining competitive  
effects of proposed mergers.**

The Board has developed and used for some time certain terms to describe the competitive effect of the proposed mergers in reports on competitive factors requested of the Board by the Comptroller of the Currency and the Federal Deposit Insurance Corporation under the Bank Merger Act (12 U.S.C. 1828(c)). Under the Act, a Federal banking agency receiving a merger application must request the views of the other two Federal banking agencies and the Department of Justice

on the competitive factors involved. The terms and their definitions are as follows:

(a) The term "monopoly" is used to indicate the Board's view that the proposed transactions must be disapproved in accordance with paragraph (5)(A) of section 1828(c) of 12 U.S.C.

(b) The term "substantially adverse" is used to indicate the Board's view that the proposed transaction would have such actual or potential anticompetitive effects as to forbid approval unless "clearly outweighed" as specified in paragraph (5)(B) of section 1828(c) of 12 U.S.C.

(c) The term "adverse" is used to indicate the Board's view that in appraising the public interest to determine whether the proposal should be approved or disapproved, the actual or potential adverse anticompetitive effects thereof would be such as to necessitate definite consideration as one of the factors cov-

ered in the last sentence of paragraph (5) of section 1828(c) of 12 U.S.C.

(d) The term "slightly adverse" is used to indicate the Board's view that the actual or potential anticompetitive effect of the transaction would be of little importance.

(e) The term "no adverse competitive effects" is used to indicate the Board's view that the situation with respect to actual or potential anticompetitive effects need not weigh against the application.

(12 U.S.C. 248(i). Interprets 12 U.S.C. 1828(c))

Dated at Washington, D.C., this 1st day of July 1969.

By order of the Board of Governors.

[SEAL] ROBERT P. FORRESTAL,  
Assistant Secretary.

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