

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 7278]
[November 28, 1973]

AMENDMENT TO REGULATION D
Certain "Other Liability" Accounts Included
in Definition of "Gross Demand Deposits"

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

Our Circular No. 7230, which was sent to you on September 12, 1973, contained the text of a proposed amendment to Regulation D, "Reserves of Member Banks," of the Board of Governors of the Federal Reserve System that would classify certain "Other liability" accounts—accounts that a member bank has created to balance its books after debiting demand deposit accounts or any other accounts for the transfer of funds—as deposits against which reserves must be maintained.

The Board of Governors has adopted that amendment, effective November 26, 1973, for the reasons contained in our Circular No. 7230. Enclosed is a copy of the amendment; additional copies will be furnished upon request.

ALFRED HAYES,
President.

Board of Governors of the Federal Reserve System

RESERVES OF MEMBER BANKS

AMENDMENT TO REGULATION D

Effective November 26, 1973, section 204.1 (g) is amended to read as follows:

SECTION 204.1—DEFINITIONS

* * *

(g) **Gross demand deposits.** The term "gross demand deposits" means the sum of all demand deposits, including demand deposits to the credit of other banks, the United States, States, counties, school districts, and other governmental subdivisions and municipalities, and all outstanding certified and officers' checks (including checks issued by the bank in payment of dividends and checks or drafts drawn by or on behalf of a foreign branch of a member bank on an account maintained by such a branch with a domestic office of the parent bank), and letters of credit and travelers' checks sold for cash. "Gross demand deposits" also includes any obligation to pay a check (or other instrument, device, or arrangement for the transfer of funds) drawn on the bank, where the account of the bank's customer has already been debited.

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