

**FEDERAL RESERVE BANK
OF NEW YORK**

Circular No. 9070
May 11, 1981

**"MONEY MARKET PLUS" ACCOUNTS
Deposit Accounts at Foreign Branches of U.S. Banks**

*To All Depository Institutions, and Others Concerned,
in the Second Federal Reserve District:*

The following is quoted from the text of a statement issued by the Board of Governors of the Federal Reserve System:

The Federal Reserve Board [*has*] asked the Bank of California to delay offering its newly announced "Money Market Plus" accounts until the Board has an opportunity to review its provisions.

The bank announced that it intended on June 1 to offer to domestic customers deposit accounts at its London branch at interest rates above those available in the United States and which would have the characteristics of transaction balances.

The Board made its request to permit time to review the appropriate statutory and regulatory provisions, including interest rate ceilings and reserve requirements, and to review implications for monetary policy and for competitive conditions among banks and other financial institutions.

From time to time, the Board has noted that the purpose of foreign branches of U.S. banks was to conduct a foreign and international business and not to function as a substitute for domestic banking facilities.

Questions regarding this matter may be directed to our Consumer Affairs and Bank Regulations Department (Tel. No. 212-791-5914).

ANTHONY M. SOLOMON,
President.