

**FEDERAL RESERVE BANK  
OF NEW YORK**

[ Circular No. 9404  
November 23, 1982 ]

**INTERNATIONAL BANKING OPERATIONS**

**— Amendments to Regulation K  
— Amendments to the Board's Rules Regarding Delegation of Authority  
and Availability of Information**

*To All Member Banks, Edge and Agreement Corporations,  
Branches and Agencies of Foreign Banks, and Bank Holding  
Companies in the Second Federal Reserve District, and Others Concerned:*

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

The Federal Reserve has announced amendments to its Regulation K — International Banking Operations — to streamline procedures for establishing a branch in the United States of an Edge Corporation, and for making certain investments under the regulation. The Board also made two technical changes in the regulation.

At the same time, the Board amended its rules regarding availability of information with respect to certain required annual reporting by foreign banking organizations and revised its delegation to the Federal Reserve Banks and to Board officials of authority to take action on certain applications under Regulation K.

The Board acted in the light of experience since it revised Regulation K in 1979 to implement provisions of the International Banking Act of 1978.

Enclosed are copies of the amendments, effective November 8, 1982. Questions concerning amendments to the Board's Rules Regarding Availability of Information may be directed to our Bank Analysis Department (Tel. No. 212-791-6710). Other questions may be directed to our Foreign Banking Applications Department (Tel. No. 212-791-5878).

ANTHONY M. SOLOMON,  
*President.*

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

INTERNATIONAL BANKING OPERATIONS

AMENDMENTS TO REGULATION K

(effective November 8, 1982)

**FEDERAL RESERVE SYSTEM**

**12 CFR Part 211**

[Docket No. R-0436]

**Reg. K; International Banking Operations**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** The Board of Governors of the Federal Reserve System has amended its Regulation K to change the procedures for establishing a U.S. branch of an Edge corporation and to shorten the notification period in § 211.5(c)(2) of its Regulation K from 60 to 45 days.

In addition, the Board has amended Regulation K governing the U.S. operations of foreign banking organization to delete an exception from a reporting requirement concerning information on U.S. investments not readily available to the reporting organization. The Board also approved a technical change in the language of the regulation to conform it to the corresponding statutory provision in the Bank Holding Company Act.

**EFFECTIVE DATE:** November 8, 1982.

**FOR FURTHER INFORMATION CONTACT:** James S. Keller (202/452-2523), Division of Banking Supervision and Regulation, or Nancy P. Jacklin (202/452-3428) or Kathleen O'Day (202/452-3786), Legal Division, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

**SUPPLEMENTARY INFORMATION:** *Edge Corporation Branches.* Under § 211.4(c)(1) of Regulation K (12 CFR 211.4(c)(1)), Edge corporations are authorized to establish domestic branches. Although the Board had previously delegated to the Reserve Banks the authority to approve the establishment of an Edge corporation branch where the branch represented the conversion of an existing Edge corporation, all other Edge branch applications required prior approval by the Board. The Board has now determined that Edge corporation proposals to establish U.S. branches should be processed under a 45-day prior notification procedure.

When the Board amended Regulation K to permit Edge corporations to branch domestically, the Board provided for the publication in the *Federal Register* of notices of applications for domestic branches and allowed a period for public comment on the proposals. In acting on an application to establish a branch, the Board considers the financial condition and history of the Edge corporation, the general character of its management, the convenience and needs of the community to be served with respect to international banking and financing services, and the effects of the establishment of the branch on competition. To date, the Board has approved applications involving about 75 branches; no application for a domestic branch of an Edge corporation has been denied. In addition, no public comment has been received with respect to a branch application.

Under the new procedure, before submitting the proposal to the Reserve Bank and Edge corporation must publish notice of the proposal in a newspaper of general circulation in the geographic area of its proposed U.S. branch and in such areas that the branch proposes to serve. The notice must allow a 30-day comment period and provide that any comments on the proposal be sent to the appropriate Federal Reserve Bank, the address of which should be included. If the Reserve Bank receives no adverse comments in response to that notice and finds the proposal is consistent with the financial, managerial, convenience and needs, and competitive factors to be considered, and the proposal raises no significant policy issues on which the Board has not previously expressed its view, the Edge corporation may establish the branch 45 days after the Reserve Bank has received the notification.

*Prior Notification for Investments.* Under the investment procedures of Regulation K, a U.S. investor (member bank, bank holding company, Edge or Agreement corporation) may make certain investments pursuant to the prior notification procedures set forth in that section. Generally, such investments are of the type that could be made pursuant to general consent except that the absolute dollar amount of the investment or its size relative to the capital and surplus of the investor disqualifies it for those procedures; such investments may not, however, exceed 10 percent of the investor's capital and surplus.

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For this Regulation to be complete, retain:

- 1) Regulation K pamphlet, effective June 14, 1979.
- 2) Amendments effective November 28, 1979, October 20, 1980, November 13, 1980, January 3, 1981, and July 29, 1981 (printed in slip-sheet dated September 1981), March 23, 1981, and March 12, 1982 (printed in slip-sheet dated March 1982).
- 3) This slip sheet.

Currently, the notification period in § 211.5(c)(2) is 60 days. Based on its experience in processing these notifications the Board has shortened the notification period to 45 days.

**Reporting Requirement.** Subpart B of the Board's Regulation K (12 CFR 211.21 *et seq.*) governs the activities and investments in the United States of foreign banking organizations. Section 211.23(h)(1) of Regulation K requires that any foreign banking organization must inform the Board quarterly of any new investments made or activities commenced in the United States under the authority of Regulation K. Sections 211.23(h)(2) and (3) of Regulation K allow a foreign banking organization, in certain situations, to omit from the reports information in the possession of other investors regarding a foreign nonbank company in which the foreign banking organization has an interest. These provisions essentially cover those situations where a foreign banking organization has a passive investment in a foreign nonbank company and may not have reasonably available to it information on the activities of the company.

In such a case, the organization must report to the Board such information as it can reasonably acquire, together with the sources thereof, and state either that unreasonable effort or expense would be involved in obtaining further information or that the company whose shares were acquired is not controlled by the organization. The organization also must state the result of a request for the information. However § 211.23(h)(3) provides that such a request need not be made of any foreign government if, in the opinion of the organization, such request would be harmful to existing relationships.

It does not appear that the exception to the reporting requirement found in § 211.23(h)(3) has been utilized by any foreign banking organization since its adoption by the Board in 1971. In light of the fact that the provision appears unnecessary and in order to prevent uncertainty as to the reporting obligations of foreign banking organizations, the Board has determined to delete this provision from the regulation. Foreign banking organizations will still be required under § 211.23(h)(2) to report to the Board their efforts to obtain required information not in their possession.

**Definition of "Subsidiary."** The Board has also amended § 211.23(a)(3) of Regulation K (12 CFR 211.23(a)(3)) to conform the definition of "subsidiary" to the statutory language in the Bank Holding Company Act. Section 211.23 governs the U.S. nonbanking activities permitted to a foreign banking organization under the Bank Holding Company Act. The regulation currently defines "subsidiary" as an organization "more than 25 percent of the voting stock of which is held \* \* \* by a foreign banking organization." The amendment to the regulation makes clear that a "subsidiary" is any organization 25 percent or more of the voting shares of which is held by the foreign banking organization.

Pursuant to section 605(b) of the Regulatory Flexibility Act (Pub. L. 96-354; 5 U.S.C. 601 *et seq.*), the Board of Governors of the Federal Reserve System certifies that the amendments adopted will not have significant economic impact on a substantial number of small entities that will be subject to the regulation.

The provisions of 5 U.S.C. 553 relating to notice, public participation, and deferred effective date are not followed in connection with the adoption of these amendments because the changes involved are procedural in nature and do not constitute substantive rules subject to the requirement of that section.

#### List of Subjects in 12 CFR Part 211

Banks, banking, Federal Reserve System, Foreign banking, Investments, Reporting and recordkeeping requirements.

For the reasons set out in the preamble and pursuant to its authority under section 25(a) of the Federal Reserve Act (12 U.S.C. 611 *et seq.*) and under the Bank Holding Company Act (12 U.S.C. 1841 *et seq.*), the Board amends 12 CFR Part 211 as follows:

#### PART 211—[AMENDED]

1. By revising § 211.4(c)(1) to read as follows:

##### § 211.4 Edge and Agreement Corporations.

(c) *Branches.* (1) An Edge Corporation may establish branches in the United States 45 days after the Edge Corporation has given notice to its

Reserve Bank, which is to include a copy of the notice of the proposal published in a newspaper of general circulation in the communities to be served by the branch, unless the Edge Corporation is notified to the contrary within that time. The newspaper notice shall be placed in the classified advertising legal notices section of the newspaper and may appear no more than 90 calendar days prior to submission of notice of the proposal to the Reserve Bank. The newspaper notice must provide an opportunity for the public to give written comment on the proposal to the appropriate Federal Reserve Bank for at least 30 days after the date of publication. The factors considered in acting upon a proposal to establish a branch are those enumerated in § 211.4(a)(1).

2. By revising the first sentence of § 211.5(c)(2) to read as follows:

##### § 211.5 Investments in other organizations.

(c) *Prior Notification.* An investment in a subsidiary or joint venture that does not qualify under the general consent procedure may be made after the investor has given 45 days' prior written notice to the Board if the total amount to be invested does not exceed 10 percent of the investor's capital and surplus.

##### § 211.23 [Amended]

3. Section 211.23 is amended by removing paragraph (h)(3).

4. Section 211.23(a)(3) is revised to read as follows:

(3) "Subsidiary" means any organization 25 percent or more of whose voting shares is directly or indirectly owned, controlled or held with power to vote by a foreign banking organization, or which is otherwise controlled or capable of being controlled by a foreign banking organization.

Board of Governors of the Federal Reserve System, November 8, 1982.

William W. Wiles,  
*Secretary of the Board.*

[FR Doc. 82-30999 Filed 11-10-82; 8:45 am]

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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
RULES REGARDING DELEGATION OF AUTHORITY

AMENDMENTS

(effective November 8, 1982)

12 CFR Part 265

[Docket No. R-0437]

Rules Regarding Delegation of Authority; International Banking Applications; Change in Bank Control

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** The Board of Governors of the Federal Reserve System is amending its Rules Regarding Delegation of Authority to delegate (1) to the Federal Reserve Banks authority to approve formation of a foreign "shell" branch by a member bank, and authority to waive the 30 days' notice requirement to the Board before a foreign banking organization exercises its one time change of home State; (2) to the Director of the Division of Banking Supervision and Regulation authority to suspend the notification period in § 211.5(c)(2) of Regulation K; and (3) to the Secretary of the Board authority to act on certain applications where authority is delegated to the Reserve Bank but a senior officer or director of an involved party is also a director of the Reserve Bank or branch. It is anticipated that these new delegations would aid the Board in processing applications and notices in an expeditious fashion.

**EFFECTIVE DATE:** November 8, 1982.

**FOR FURTHER INFORMATION CONTACT:** James S. Keller, Division of Banking Supervision and Regulation (202/452-2523), Nancy P. Jacklin, Legal Division (202/452-3428), or Kathleen M. O'Day, Legal

Division (202/452-3786), Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

**SUPPLEMENTARY INFORMATION:** 1. *Shell branches.* The Board has in the past delegated to the Secretary of the Board authority to approve an application by a member bank to establish a foreign branch pursuant to section 25 of the Federal Reserve Act when the application was not one for the applicant's first full service branch in a foreign country, including a "shell" branch. The Board has now delegated to the Reserve Banks the authority to approve shell branch applications.

2. *Waiver of 30 days' notification for change in home State.* Under § 211.22(c)(1) of Regulation K (12 CFR 211.22(c)(1)) a foreign banking organization is required to give the Board 30 days' prior notification of its proposed change of home State before it may exercise that change. Because the Reserve Banks generally have the information necessary to determine whether the deposit-taking activities in the original home State conform to what is permissible in the event of a foreign banking organization's change of home State, the Board has delegated to the Reserve Banks the authority to waive the 30 days' notification period in § 211.22(c)(1) of Regulation K.

3. *Suspension of prior notification period in Regulation K.* Section 211.5(c)(2) of Regulation K (12 CFR 211.5(c)(2)) sets forth the criteria for when a U.S. investor (member bank, bank holding company, Edge or Agreement Corporation) may make an

investment pursuant to the prior notification procedures set forth in that section. That section also states that the Board may, during the notification procedure, disapprove the investment, suspend the notification period or require that an application be filed by the investor for the Board's specific consent. The Board has previously delegated to the Director of the Division of Banking Supervision and Regulation both authority to waive the prior notice period and authority to require that an investor file an application for specific consent (12 CFR 265.2(c)(27) and (28), respectively). The Board has, by action of this date, reduced the notification period from 60 to 45 days.<sup>1</sup> There are occasions, however, when more than 45 days is required to process a notification but the notification does not require Board action. The Board has, therefore, delegated authority to the Director of the Division of Banking Supervision and Regulation to suspend the 45 days' notification period.

4. *Applications and notices where directors or senior officers of the involved party are also directors of a Reserve Bank or its branch.* The Board, in recent years, has increased the scope of those applications that may be acted upon by the Reserve Banks under delegated authority. However, it has not stated that those applications involving a senior officer or director of an involved party who is also a director of a Reserve Bank should not be acted

<sup>1</sup> This change in the notification period has necessitated a technical amendment to 12 CFR 265.2(c)(27).

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For these Rules to be complete, retain:

- 1) Rules pamphlet, amended effective October 24, 1979 (corrected date)
- 2) Amendment pamphlet, dated November 1981.
- 3) This slip sheet.

upon by the Reserve Banks nor has it made any adjustment to the Secretary of the Board's authority to act on these delegated applications where a director or senior officer of a party involved is also a director of a Federal Reserve Bank or branch. Accordingly, the Board has delegated to the Secretary of the Board authority to act upon those applications that would be delegated to the Reserve Banks except for the fact that a senior officer or director of an involved party is also a director of a Reserve Bank. This procedure will now conform to that followed under the Bank Holding Company Act (12 U.S.C. 1841 *et seq.*) and the Bank Merger Act (12 U.S.C. 1828), where the Secretary of the Board has delegated authority to act on applications delegated to the Reserve Bank except for the fact that "a director or senior officer of any holding company, bank, or company to be acquired or retained, involved in the transaction, is a director of a Federal Reserve Bank or branch." (12 CFR 265.2(a)(2)).

Pursuant to Section 605(b) of the Regulatory Flexibility Act (Pub. L. 96-354; 5 U.S.C. 601 *et seq.*), the Board of Governors of the Federal Reserve System certifies that the amendments adopted will not have a significant economic impact on a substantial number of small entities that would be subject to the regulation.

The provisions of 5 U.S.C. 553 relating to notice, public participation and deferred effective date are not followed in connection with the adoption of these amendments because the changes involved are procedural in nature and do not constitute substantive rules subject to the requirement of that section.

#### List of Subjects in 12 CFR Part 265

Authority, delegations (Government agencies), Banks, banking, Federal Reserve System.

#### PART 265—[AMENDED]

Pursuant to its authority under the International Banking Act of 1978 (12 U.S.C. 3101 *et seq.*), the Federal Reserve Act (12 U.S.C. 226 *et seq.*), the Bank Holding Company Act (12 U.S.C. 1842 *et seq.*) and the Change in Bank Control Act (12 U.S.C. 1817(j)), the Board amends its Rules Regarding Delegation of Authority (12 CFR Part 265) by revising § 265.2(a)(2), (c)(27), (c)(28),

(f)(30), and (f)(50) as follows and adding new paragraphs (f)(55) and (f)(56):

#### § 265.2 Specific functions delegated to Board employees and to Federal Reserve banks.

(a) \* \* \*

(2) Under the provisions of sections 18(c) and 18(c)(4) of the Federal Deposit Insurance Act (12 U.S.C. 1828(c) and 1828(c)(4)), sections 3(a) and 4(c)(8) of the Bank Holding Company Act (12 U.S.C. 1842(a) and 1843(c)(8)), the Change in Bank Control Act (12 U.S.C. 1817(j)) and section 25(a) of the Federal Reserve Act (12 U.S.C. 611 *et seq.*), and §§ 225.3(b) and (c), 225.4(a) and (b) and 225.7 of Regulation Y (12 CFR 225.3(b) and (c), 225.4(a) and (b), and 225.7), §§ 211.3(a), 211.4(c) and 211.5(c) of Regulation K (12 CFR 211.3(a), 211.4(c) and 211.5(c)), to furnish reports on competitive factors involved in a bank merger to the Comptroller of the Currency and the Federal Deposit Insurance Corporation and to take actions the Reserve Bank could take except for the fact that the Reserve Bank may not act because a director or senior officer of any holding company, bank, or company involved in the transaction is a director of a Federal Reserve Bank or branch.

\* \* \* \* \*

(c) \* \* \*

(27) Under section 25 and 25(a) of the Federal Reserve Act and Part 211 of this chapter (Regulation K), to waive the 45 days' prior notice period for an investment that qualifies for the prior notification procedures set forth in § 211.5(c)(2) of Regulation K (12 CFR 211.5(c)(2)).

(28) Pursuant to § 211.5(c)(2) of this chapter (Regulation K), to suspend the notification period or to require that an investor file an application for the Board's specific consent.

\* \* \* \* \*

(f) \* \* \*

(30) Under the provisions of the Change in Bank Control Act of 1978 (12 U.S.C. 1817(j)) and § 225.7 of this chapter (Regulation Y), with respect to a bank holding company or State member bank, to determine the informational sufficiency of notices and reports filed under the Act, to extend periods for consideration of notices, to determine whether a person who is or will be subject to a presumption described in § 225.7(a) of this chapter should file a

notice regarding a proposed transaction, and, if all the following conditions are met, to issue a notice of intention not to disapprove a proposed change in control:

(i) No member of the Board has indicated an objection prior to the Reserve Bank's action.

(ii) No senior officer or director of an involved party is also a director of a Federal Reserve Bank or branch.

(iii) All relevant departments of the Reserve Bank concur.

(iv) If the proposal involves shares of a State member bank or bank holding company controlling a State member bank, the appropriate bank supervisory authorities have indicated that they have no objection to the proposal, or no objection has been received from the appropriate bank supervisory authorities within the time allowed by the Act.

(v) No significant policy issue is raised by the proposal as to which the Board has not expressed its view.

\* \* \* \* \*

(50) Pursuant to § 211.4(c)(2) of this chapter (Regulation K), to approve an Edge Corporation application to establish a branch abroad, provided that no senior officer or director of the involved Parties is also a director of a Reserve Bank or branch and that no significant policy issue is raised by the proposal as to which the Board has not expressed its view.

\* \* \* \* \*

(55) Pursuant to § 211.3(a) of this chapter (Regulation K), to approve the establishment, directly or indirectly, of a foreign branch by a member bank where the application is not one for a full-service branch in a foreign country, provided that no senior officer or director of the involved parties is also a director of a Reserve Bank or branch and that no significant policy issue is raised by the proposal as to which the Board has not expressed its view.

(56) Pursuant to § 211.22(c)(1) of this chapter (Regulation K), to waive the 30 days' prior notification period with respect to a foreign bank's change of home State.

\* \* \* \* \*

By order of the Board of Governors of the Federal Reserve System, November 8, 1982.

William W. Wiles,  
Secretary of the Board.

[FR Doc. 82-30997 Filed 11-10-82; 8:45 am]

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BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM  
RULES REGARDING AVAILABILITY OF INFORMATION

AMENDMENTS

*(effective November 8, 1982)*

**12 CFR Part 261**

[Docket No. R-0435]

**Rules Regarding Availability of Information**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** The Board of Governors of the Federal Reserve System has amended its Rules Regarding Availability of Information to establish procedures regarding access by bank regulatory authorities to certain confidential reports submitted by foreign banking organizations. The Board also amended these rules to provide that such reports will not be released to the public.

The Board recognizes that other bank supervisory authorities may have a legitimate need for access to this information in order to carry out their supervisory responsibilities concerning a foreign banking organization and has determined to amend its Rules to insure that such legitimate supervisory needs are accommodated while maintaining the confidentiality of the information requested by Form F.R. 2068 (Confidential Report of Operations of Foreign Banking Organizations) to the fullest extent possible.

**EFFECTIVE DATE:** November 8, 1982.

**FOR FURTHER INFORMATION CONTACT:** Nancy Jacklin, Assistant General Counsel (202/452-3428), or Kathleen

O'Day, Senior Attorney (202/452-3786), Legal Division, Board of Governors of the Federal Reserve System.

**SUPPLEMENTARY INFORMATION:** In 1980, the Board imposed reporting requirements on foreign banking organizations which were implemented in 1981. These reports are the Annual Report of Foreign Banking Organizations, Form F.R. Y-7, and the Confidential Report of Operations of Foreign Banking Organizations, Form F.R. 2068. These reports are required to enable the Board to carry out its responsibilities under the Bank Holding Company Act of 1956, as amended, and the International Banking Act of 1978.

Information contained in these reports will be made available only in accordance with the Board's Rules Regarding Availability of Information. The financial information required by Form F.R. 2068 is of a particularly sensitive character, and is not customarily made available to the public by the reporting companies or by any other source. The Board regards the Form F.R. 2068 as an examination, operating or condition report within the meaning of 5 U.S.C. 552 (b)(8), which exempts such reports from the disclosure requirements of the Freedom of Information Act. In light of the confidential nature of the information, it has been the Board's policy to deny requests by the public for information from the reports. In addition, internal security procedures have been established governing access to the

reports. These policies have worked well in maintaining the confidentiality of the reports and the Board believes that it is appropriate to incorporate them into the Board's Rules Regarding Availability of Information.

The amendment approved by the Board authorizes the Director of the Board's Division of Banking Supervision and Regulation, with the concurrence of the General Counsel, to permit appropriate personnel of a bank supervisory authority to inspect the Confidential Report of Operations, Form F.R. 2068, on Federal Reserve premises under the same security procedures as apply to System personnel. Copies of these procedures are available from the Board's Freedom of Information Office (202/452-3684).

The Board's Rules are also amended to reflect the Board's decision that the information required by Form F.R. 2068 should not be made available to the public in any circumstances. As is the case with other confidential information in the Board's possession, release of this information by a Board employee may constitute a basis for dismissal of the employee or other disciplinary action.

The provisions of section 553 of Title 5, United States Code, relating to notice, public participation and deferred effective date are not followed in connection with the adoption of these amendments because the changes involved are procedural in nature and do not constitute a substantive rule subject to the requirements of such section.

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For these Rules to be complete, retain:

- 1) Rules pamphlet, amended effective February 19, 1975.
- 2) Amendments effective March 12, 1977 and October 19, 1977.
- 3) This slip sheet.

**List of Subjects in 12 CFR Part 261**

Federal Reserve System, Freedom of Information.

For the reasons set out in the preamble, Part 261 of Title 12 of the Code of Federal Regulations is amended as follows:

**PART 261—[AMENDED]**

1. 12 CFR 261.6 is amended by redesignating paragraph (b) as (b)(1), and by adding new paragraphs (b) (2) and (d) as follows:

**§ 261.6 Exemptions from disclosure.**

\* \* \* \* \*

(b)(2) Notwithstanding any other provision of this Regulation, any Confidential Report of Operations (Form F.R. 2068) of a foreign banking organization may, upon written request to and approval by the Director of the Division of Banking Supervision and Regulation (or his delegee), and with the concurrence of the General Counsel (or

his delegee), be made available for inspection to another bank supervisory authority having general supervision of any United States branch, agency, subsidiary bank or commercial lending company of the foreign banking organization, only for use where necessary in the performance of the official duties of such authority. These reports shall be made available for inspection by authorized persons only on Federal Reserve premises under the same procedures as apply to personnel of the Federal Reserve System. All reports made available under this paragraph shall remain the property of the Board; and no person, agency, or authority who obtains access to any such report, or any officer, director, or employee thereof, shall publish, publicize, or otherwise disclose any information contained in the report to any person.

\* \* \* \* \*

(d) *Foreign Banking Organization Confidential Report of Operations.* It is

the Board's policy that the confidentiality of a foreign banking organization's Confidential Report of Operations (Form F.R. 2068) should be maintained at all times. Except as provided in paragraph (b)(2) of this section, information submitted to the Board as part of any Confidential Report of Operations is not available for public inspection by any person other than an officer, employee, or agent of the Board or of a Federal Reserve Bank properly entitled to such information in the performance of such person's official duties. Any employee that violates this section by releasing such a Report to any unauthorized person may be subject to disciplinary action under 12 CFR 264.735-5 (Rules of Employee Responsibilities and Conduct).

By order of the Board of Governors, effective November 5, 1982.

**William W. Wiles,**  
*Secretary of the Board.*

[FR Doc. 82-31076 Filed 11-10-82; 8:45 am]

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