

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

STATEMENT FOR THE PRESS

For immediate release

January 3, 1940

The Board of Governors of the Federal Reserve System has amended section 3 of its Regulation L, relating to interlocking bank directorates under the Clayton Act, effective immediately, so as to permit any director, officer, or employee of a bank which does not exercise trust powers to serve a trust company which does not accept deposits.

The amendment consists in striking out paragraph (c) of section 3 of Regulation L and substituting the following:

(c) Any director, officer, or employee of a member bank of the Federal Reserve System which does not exercise trust powers may be at the same time a director, officer, or employee of not more than one trust company which does not receive or hold deposits*; and any director, officer, or employee of a trust company which is a member of the Federal Reserve System and which does not receive or hold deposits* may be at the same time a director, officer, or employee of not more than one bank, banking association, or savings bank which does not exercise trust powers.

*For the purpose of this paragraph, the term "deposits" shall not include funds received and held in a fiduciary capacity.