

April 20, 1982

Mr. A. P. Richard Carden  
Regional General Manager  
Barclays Bank International Limited  
200 Park Avenue  
New York, New York 10166

Dear Mr. Carden:

An article in the American Banker of April 9, 1982, describes the plans of Barclays Bank Limited, London, England, to establish a subsidiary in London that will place customer and bank orders in the Chicago futures market. The subsidiary, Barclays Futures Ltd., will participate in the London International Financial Futures Exchange, at which its business "will be aimed," but it will also execute orders on the Chicago Exchange.

As a foreign banking organization with U. S. branches and subsidiary banks, Barclays is subject to the provisions of the Bank Holding Company Act and the Board's Regulations X and Y. Under the regulations, Barclays may not engage in any banking or financial operations in the United States without the prior approval of the Board. In view of these restrictions, Barclays' U. S. offices and subsidiaries may not participate in any way in placing orders on the Chicago or London Exchanges or in accepting orders from customers for transmittal to Barclays Futures without Board authorization. Without such approval, these practices would be viewed as engaging in business in the United States within the meaning of Regulation X and would be impermissible under applicable laws.

I would appreciate your confirmation that Barclays will not engage in the United States through any U. S. office or subsidiary in the activity of acting as a futures broker.

Sincerely,

(Signed) Michael Bradfield

Michael Bradfield  
General Counsel

cc: Federal Reserve Bank of New York

██████████