TABLE II.—*Banking and exchange regulations*—Continued

Country	Investment requirements in national debt instruments	Deposit balance requirements in treasury, central bank, or clearing banks	Investment requirements in development banks, etc.	Banking authority requirements as applied to foreign banks: Reserve requirements or liquidity restrictions (1)	Lending restrictions (2)	Informal agreements on deposit and loan interest rate limits (3)	Banking regulations (1), (2), (3) equally enforced on foreign and domestic banks (4)	Prohibitions on types of loans extended by foreign banks not applicable to domestic banks	Application of foreign exchange restrictions on foreign banks
Asia—Con. Pakistan	To the extent that capital requirements may be met through investments in Pakistani Government issues.	Cash reserves must be kept in State Bank.	None.	Yes.	Yes.	Effectively applied.	Generally yes.[9]	None.	As applied to domestic banks.
Taiwan	None.[10]	Reserve requirements must be met.	None.	Yes.	Yes.	Yes.	Yes.	None.	Do.
Africa: Nigeria	None.[11]	Account is required with central bank.	None.	Yes, there is a 25 percent liquidity ratio.	Yes, a limitation of 25 percent of paid-in capital for any one loan.	Yes, with the exception of an informal tariff agreement among 5 major banks which is not applicable to U.S. banks.	Yes.	None.	Do.
Oceania: Australia.	Yes.	Yes.	None.	Not applicable.	Not applicable.	Not applicable.	Not applicable.	None.	Do.

[1] Monetary reserve coefficient was used in 1964 and early 1965.
[2] Government occasionally uses moral suasion over Italian banks to purchase debt instruments. This probably could apply to U.S. banks.
[3] Foreign banks are expected to utilize dividends which they are not permitted to transfer out of Greece for long-term loans under terms set by the Currency Committee.
[4] To the extent that banking authority regulations are disproportionately directed toward foreign business, foreign banks, tending to have large foreign businesses, suffer to a similar degree.
[5] Up to 60 percent of initial capital may be invested in country's debt instruments.
[6] The Ministry of Finance has been known to request informally that banks invest in public works bonds.
[7] Only Government of India securities are acceptable as approved securities for capital and liquidity requirements.
[8] In addition, capital requirements must be held at reserve bank which counts toward 25 percent statutory requirement.
[9] Restrictions on the maximum rates of interest that may be paid on time deposits are not enforced and are violated by domestic banks. The branches of foreign banks generally observe the restrictions and are at a disadvantage in attracting deposits.
[10] There is a nominal requirement for investment in patriotic bonds for import tax.
[11] It is expected that banks will maintain a treasury bill portfolio.