

FEDERAL RESERVE BANK OF DALLAS

FISCAL AGENT OF THE UNITED STATES

Dallas, Texas, February 10, 1943

To All Banking Institutions, and Others Concerned,
in the Eleventh Federal Reserve District:

The Secretary of the Treasury has issued the following general ruling:

"GENERAL RULING NO. 12A UNDER EXECUTIVE ORDER NO. 8389, as amended, Executive Order No. 9193, sections 3 (a) and 5 (b) of the Trading with the Enemy Act, as amended by the First War Powers Act, 1941, relating to Foreign Funds Control.*

(1) Reference is made to transfers of property in a blocked account which are null and void, or unenforceable, by virtue of the provisions of General Ruling No. 12. Such transfers shall not be deemed to be null and void, or unenforceable, under General Ruling No. 12, as to the person with whom such blocked account was held or maintained (and as to such person only) in cases in which such person is able to establish each of the following:

(a) Such transfer did not represent a wilful violation of the Order by the person with whom such blocked account was held or maintained:

(b) The person with whom such blocked account was held or maintained did not have reasonable cause to know or suspect, in view of all the facts and circumstances known or available to such person, that such transfer was not licensed or authorized by the Secretary of the Treasury, or if a license did purport to cover the transfer, that such license had been obtained by misrepresentation or the withholding of material facts or was otherwise fraudulently obtained: and

(c) Promptly upon discovery that such transfer was in violation of the Order, or was not licensed or authorized by the Secretary of the Treasury, or if a license did purport to cover the transfer, that such license had been obtained by misrepresentation or the withholding of material facts or was otherwise fraudulently obtained, the person with whom such blocked account was held or maintained filed with the appropriate Federal Reserve bank a report on Form TFR-12A in triplicate setting forth in full the information called for therein, provided, however, that such report should not be regarded as evidence of compliance with subdivisions (a) and (b) of this paragraph.

(2) Except as otherwise provided by regulations, rulings, licenses, or instructions expressly referring to this general ruling, no license will be required to validate the authority of any person to act or purport to act in a transaction directly or indirectly for the benefit or on behalf of any blocked country or any national thereof, provided, that the transaction in which such person acts or purports to act is licensed or authorized by the Secretary of the Treasury or is not prohibited pursuant to section 5 (b) of the Trading with the Enemy Act, as amended.

(3) As used in this general ruling, the term 'blocked account' shall have the same meaning as that prescribed in General Ruling No. 12.

RANDOLPH PAUL
Acting Secretary of the Treasury"

February 9, 1943

*Part 132—Sec. 5 (b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; Public No. 354, 77th Congress, 55 Stat. 838; Ex. Order 8389, April 10, 1940, as amended by Ex. Order 8785, June 14, 1941, Ex. Order 8832, July 26, 1941, Ex. Order 8963, December 9, 1941, and Ex. Order 8998, December 26, 1941; Ex. Order 9193, July 6, 1942; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

Yours very truly,

R. R. GILBERT

President