

FEDERAL RESERVE BANK
OF DALLAS

Dallas, Texas, December 31, 1957

**PROTEST AND WIRE ADVICE OF NONPAYMENT OF CASH
AND NONCASH ITEMS PAYABLE IN PUERTO RICO**

**To the Member and Nonmember Clearing Banks
of the Eleventh Federal Reserve District:**

In our circular letter of December 17, 1957 announcement was made that, beginning January 1, 1958, we would receive and handle for collection cash and noncash items payable in Puerto Rico. We have since received advice that the minimum charge for protesting a dishonored item in Puerto Rico is \$15. Added to the \$15 is the amount of any incidental expense, such as the cost of travel involved in making presentment, as well as the cost of sending a cable giving advice of nonpayment when such advice is called for by applicable instructions.

In this connection, reference is made to instructions relating to protest and wire advice of nonpayment of cash and noncash items contained in our applicable operating bulletins.

Cash items. — Uniform instructions regarding protest and wire advice of nonpayment under which we will receive, handle, and forward a *cash* item are set forth in paragraph 13 of our Bulletin No. 8. In accordance with the provisions of subparagraph (2) of these uniform instructions, a bank sending us a cash item of \$500.01 or over payable in Puerto Rico, may, if its depositor does not require protest, avoid imposition of protest charges in the event of dishonor by placing its A.B.A. no protest symbol on the face of the item. In addition, in view of the provisions of subparagraph (4) of these uniform instructions, if the item is for \$1,000 or over and the depositor does not require wire advice of nonpayment, the charge to cable such advice can be avoided by placing on the face of the item the instructions "Do Not Wire Nonpayment" with the A.B.A. transit number of the sending bank.

Noncash items. — Instructions regarding the protest of *noncash* items appear on page 5 of our Bulletin No. 9, under the topic headed "Protest Practice in Absence of Instructions." In view of these provisions, a bank sending us a noncash item of \$500.01 or over payable in Puerto Rico (except bonds, debentures, coupons, and other similar securities), may, if its depositor does

(over)

not require protest, avoid imposition of protest charges in the event of dishonor by instructing us in its collection letter that the item should not be protested. In accordance with provisions which will be found on page 6 of our Bulletin No. 9, under the heading "Telegraphic Advice," we will request telegraphic advice of payment or nonpayment of noncash items only when instructed to do so by sending banks.

These procedures also will apply with respect to any cash or noncash item forwarded by our direct sending banks to the Federal Reserve Bank of New York.

Yours very truly,

Watrous H. Irons

President