

FEDERAL RESERVE BANK OF DALLAS  
DALLAS, TEXAS 75222

Circular No. 75-9  
January 10, 1975

INTERPRETATION OF REGULATION D  
Treatment of Gold by Federal Reserve Banks

TO ALL MEMBER BANKS  
IN THE ELEVENTH FEDERAL RESERVE DISTRICT:

In response to numerous inquiries received from member banks, the Board of Governors of the Federal Reserve System has issued an interpretation of Regulation D consisting of questions and answers relating to the repeal of the ban on ownership of gold by United States citizens.

Printed on the reverse of this circular is a copy of the interpretation. Additional copies will be furnished upon request.

Sincerely yours,

T. W. Plant

First Vice President

**BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM**

**RESERVES OF MEMBER BANKS**

**INTERPRETATION OF REGULATION D**

**Questions and Answers Regarding the Treatment of Gold by Federal Reserve Banks**

**SECTION 250.260 — MISCELLANEOUS INTERPRETATIONS — GOLD COIN AND BULLION**

The Board has received numerous inquiries from member banks relating to the repeal of the ban on ownership of gold by United States citizens. Listed below are questions and answers which affect member banks and relate to the responsibilities of the Federal Reserve System.

**(1) May gold in the form of coins or bullion be counted as vault cash in order to satisfy reserve requirements?** No. Section 19(c) of the Federal Reserve Act requires that reserve balances be satisfied either by a balance maintained at the Federal Reserve Bank or by vault cash, consisting

of United States currency and coin. Gold in bullion form is not United States currency. Since the bullion value of United States gold coins far exceeds their face value, member banks would not in practice distribute them over the counter at face value to satisfy customer demand.

**(2) Will the Federal Reserve Banks perform services for member banks with respect to gold, such as safekeeping or assaying?** No.

**(3) Will a Federal Reserve Bank accept gold as collateral for an advance to a member bank under §10(b) of the Federal Reserve Act?** No.

By order of the Board of Governors, effective December 17, 1974.