

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. 862, July 6, 1928]
[Superseding Circular No. 355]

Bill Department

**Bankers Acceptances
Evidences of Eligibility**

*To each Bank, Trust Company and Other Accepting Banker
in the Second Federal Reserve District:*

This bank desires to advise you that upon the recommendation of counsel approved by the Federal Reserve Banks, the Federal Reserve Board has adopted certain modifications of some of the forms of certificates heretofore approved to evidence the eligibility of bankers acceptances for purchase or discount by Federal Reserve Banks, in accordance with Federal Reserve Board's Regulation A, Series of 1928, Section XIII, which reads as follows:

“A Federal reserve bank must be satisfied, either by reference to the acceptance itself or otherwise, that the acceptance is eligible for discount under the terms of the law and the provisions of this regulation. The bill itself should be drawn so as to evidence the character of the underlying transaction, but if it is not so drawn evidence of eligibility may consist of a stamp or certificate affixed by the acceptor in form satisfactory to the Federal reserve bank.”

The forms as now approved are as follows:

<i>Underlying Transaction</i>	<i>Form of Certificate</i>
Domestic Shipments:	<p>“At time of acceptance, this bill was accompanied by shipping documents evidencing the domestic shipment of (<i>name of commodity</i>) from (<i>point of shipment</i>) to (<i>place of destination</i>).</p> <p style="text-align: right;">(Name of Acceptor)”</p>
Import and Export Transactions:	<p>“The transaction which gives rise to this instrument is the {<i>importation</i>} of (<i>name of commodity</i>) from (<i>point of shipment</i>) to (<i>place of destination</i>).</p> <p style="text-align: right;">(Name of Acceptor)”</p>
Warehouse Secured Credit:	<p>“This bill was secured at the time of acceptance by independent warehouse, terminal, or other similar receipt conveying security title to (<i>name of readily marketable staple</i>) stored in (<i>country where stored</i>).</p> <p style="text-align: right;">(Name of Acceptor)”</p>

There has been eliminated from the form of certificate evidencing eligibility of acceptances arising out of warehouse secured credits the statement, “and the acceptor will remain secured throughout the life of the bill.” The requirement that the acceptor remain secured throughout the life of the bill in such cases, however, is still contained in the Federal Reserve Board's Regulation A and a strict compliance with this requirement of the regulation will be expected.

It is suggested that you adopt these forms of certificates, as amended, and use the appropriate one to evidence the eligibility of any bill accepted by you which is not drawn in such manner as will disclose on the face of the bill all of the information as to the character of the underlying transaction that is indicated in the appropriate form of certificate quoted above.

Very truly yours,

BENJ. STRONG,
Governor.