

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 1318]
[December 8, 1933]

INFORMATION IN CONNECTION WITH APPLICATIONS
UNDER SECTION 32 OF THE BANKING ACT OF 1933

*To all Member Banks in the
Second Federal Reserve District:*

With our Circular No. 1302 dated October 31, 1933, we transmitted a copy of the Federal Reserve Board's Regulation R, Series of 1933, with reference to "Relationships with Dealers in Securities under Section 32 of the Banking Act of 1933." This circular indicates the procedure to be followed, and the forms to be used, in making applications under Section 32 of the Banking Act of 1933 for permits of the Federal Reserve Board covering relationships coming within the prohibitions of that section.

We have recently been advised by the Federal Reserve Board that there appears to be some likelihood that the answers to questions numbered 1 and 4 on F.R.B. Form 99c (Statement of Dealer in Securities) will not be given in sufficient detail to permit the Board to determine

(1) whether or not the business of the dealer in securities customarily includes the underwriting, flotation and distribution of securities or participations in such transactions, and

(2) whether the customary business dealings between the member bank and the dealer involve securities in the underwriting, flotation or distribution of which the dealer has been interested.

Since the Board has requested that it be advised fully with regard to these questions in each application submitted under Section 32, we suggest that you bring these matters to the attention of any of your officers or directors who may submit such applications.

J. H. CASE,
Federal Reserve Agent.