

FEDERAL RESERVE BANK
OF NEW YORK

Circular No. 2302, October 24, 1941
Reference to Circulars Nos. 2262, 2269, 2271,
2274, 2277, 2281, 2292, 2293, 2300 and 2301.

Executive Order No. 8389, as Amended, and Regulations Issued Pursuant Thereto,
Relating to Transactions in Foreign Exchange, Etc.

To all Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:

For your information we quote below from a telegram received today from the Treasury Department:

The following amendment to General License No. 9 has been issued today pursuant to the freezing orders.

CODE OF FEDERAL REGULATIONS
Title 31—Money and Finance: Treasury
Chapter I—Monetary Offices, Department of the Treasury
Part 131—General Licenses under Executive Order No. 8389,
April 10, 1940, as amended, and Regulations issued
pursuant thereto.
Section 131.9

TREASURY DEPARTMENT
Office of the Secretary
October 24, 1941

GENERAL LICENSE NO. 9, AS AMENDED, UNDER EXECUTIVE ORDER NO. 8389,
APRIL 10, 1940, AS AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO,
RELATING TO TRANSACTIONS IN FOREIGN EXCHANGE, ETC.*

General License No. 9 is amended to read as follows:

(1) A general license is hereby granted authorizing the bona fide purchase and sale of commodity futures contracts and of evidences of ownership of actual commodities on an exchange or board of trade within the United States by banking institutions within the United States, for the account of nationals of any blocked country, pursuant to the instructions of such nationals, and necessary transfers or other dealings in evidences of ownership of commodities, transfers of credit and payments between accounts in banking institutions within the United States as required in connection with such purchases or sales or because of fluctuations in the market value of the commodities covered by such contracts or evidences of ownership, provided that:

(a) No such purchase shall be made except for the purpose of covering a short position taken prior to October 25, 1941, in the account of the national for whom the purchase is made;

(b) No such sale shall be made except for the purpose of liquidating a long position taken prior to October 25, 1941, in the account of the national for whom the sale is made; and

(c) In the case of either purchase or sale the net proceeds of the transaction are credited to a blocked account in the name of the national for whose account the transaction was effected and in the banking institution within the United States which maintains the account for which the transaction was effected.

(2) Each banking institution engaging in any transaction herein authorized is required to file promptly with the appropriate Federal Reserve Bank monthly reports showing the details of each such transaction, including a description of the commodity futures contracts or evidences of ownership of actual commodities purchased or sold, the dates of the purchases or sales, the persons for whose account the purchases or sales were made, the price at which each purchase was made, the name of the exchange or board of trade on which each such transaction was effected, and the net market position in the commodity in question of the national for whose account the transaction was effected before such transaction and after such transaction.

E. H. FOLEY, JR.
Acting Secretary of the Treasury

* Part 131;—Sec. 5(b), 40 Stat. 415 and 966; Sec. 2, 48 Stat. 1; 54 Stat. 179; Ex. Order 8389, April 10, 1940, as amended by Ex. Order 8785, June 14, 1941, and Ex. Order 8832, July 26, 1941; Regulations, April 10, 1940, as amended June 14, 1941, and July 26, 1941.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL,
President.