

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 2736]
December 15, 1943]

REGULATIONS GOVERNING THE PAYMENT THROUGH DEPOSITARY BANKS OF
FUNDS WITHHELD AS TAXES IN ACCORDANCE WITH THE PROVISIONS
OF THE CURRENT TAX PAYMENT ACT OF 1943

Second Amendment to Treasury Department Circular No. 714

To all Banking Institutions in the Second Federal Reserve District
Qualified to Act as Depositaries for Withheld Taxes:

There is enclosed herewith the Second Amendment to Treasury Department Circular No. 714, "Regulations Governing the Payment through Depositary Banks of Funds Withheld as Taxes in Accordance with the Provisions of the Current Tax Payment Act of 1943". The amendment affects the ~~seventh~~^{sixth} paragraph of Section ~~6~~⁷ and the fifth and sixth paragraphs of Section 8 of the Circular.

The ~~seventh~~^{sixth} paragraph of Section ~~6~~⁷, as amended, has the effect of authorizing the signing or initialing of depositary receipts in pencil; however, signatures or initials in ink are preferable.

The fifth paragraph of Section 8, as amended, modifies the basis upon which initial allotments of 2 Percent Depositary bonds will be made.

The sixth paragraph of Section 8, as amended, modifies the provisions concerning the periodical adjustment of allotments of 2 Percent Depositary bonds. The first such adjustment will be made as of January 1, 1944, on the basis of the average monthly business transacted during the calendar months from the close of the period used for the establishment of the initial allotment to November 30, 1943. Thereafter, appropriate adjustments will be made as of July 1 and January 1 on the basis of the average monthly business transacted during the periods from December 1 to May 31, and from June 1 to November 30, respectively. A basis is also provided for the adjustment of the allotment of any depositary receiving its initial allotment during such a six-month period.

The text of the amendment should be consulted in any case involving its application.

In accordance with instructions received from the Treasury Department, each Depositary in the Second Federal Reserve District which has previously filed a subscription on Treasury Form No. 418 for 2 Percent Depositary Bonds, Second Series, is hereby requested to submit an amended subscription on Form No. 418 (Revised), 2 copies of which are herewith enclosed. Each Depositary should indicate on the Form the method by which it elects to make payment for such Bonds; and may elect to make payment by any of the alternative methods therein described, irrespective of the method by which it has heretofore elected to make payment.

In order to make possible adjustments of allotments as of January 1, 1944, it is requested that one copy of Form 418 (Revised) be submitted promptly by each Depositary to the head office of the Federal Reserve Bank of New York, Federal Reserve P. O. Station, New York 7, N. Y.

ALLAN SPROUL,
President.

REGULATIONS GOVERNING THE PAYMENT THROUGH DEPOSITARY
BANKS OF FUNDS WITHHELD AS TAXES IN ACCORDANCE WITH
THE PROVISIONS OF THE CURRENT TAX PAYMENT ACT OF 1943

1943

Department Circular No. 714
Second Amendment

Fiscal Service
Bureau of Accounts
Division of Deposits

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY
Washington, D. C.
November 30, 1943

Treasury Department Circular No. 714 dated June 25, 1943, as amended, is hereby further amended as follows:

Delete the sixth paragraph of Section 7 and insert in lieu thereof the following paragraph:

"The original and Federal Reserve Bank copy of each depositary receipt must be signed by an officer or employee duly authorized by the depositary. This signature may be in any one of the following forms: (1) a manual signature of a duly authorized officer or employee followed by the title of such officer or employee; (2) a rubber stamp impression containing the name of the depositary supported by the manual initial of the receipting officer or employee and followed by his official title; (3) a facsimile or rubber stamp impression signature of a duly authorized officer over his official title, supported by the manual initial of such officer or the employee receiving the deposit; or (4) a facsimile or rubber stamp impression signature of a duly authorized employee over his official title, supported by the manual initial of such employee. It is preferable that initials or manual signatures be in ink; however, if made by pencil they will be acceptable."

Delete the fifth paragraph of Section 8 and insert in lieu thereof the following paragraph:

"The initial allotment to a depositary for withheld taxes under either of the two alternative methods will be calculated on the basis of the business transacted under this circular by the depositary during the calendar month immediately succeeding that in which the depositary was qualified. However, if specifically requested by a depositary, the initial allotment may be made on the basis of the business transacted during the calendar month in which the depositary was qualified. If more than one full calendar month elapses after a bank qualifies as a depositary for withheld taxes before it enters a subscription for the initial allotment, such initial allotment should be calculated on the basis of the average business transacted monthly by the depositary during the preceding full calendar months; however, if the elapsed period is more than six months, the initial allotment will be calculated on the basis of the average business transacted

monthly during the six full calendar months preceding the request for the initial allotment. The initial allotment will be made as of the first day of the second calendar month following the close of the period which is used as a basis for determining the amount of such initial allotment. For example, if the business transacted during the period ending November 30, 1943, is to be used as a basis for calculating the initial allotment, such initial allotment will be made as of January 1, 1944."

Delete the sixth paragraph of Section 8 and insert in lieu thereof the following paragraph:

"Appropriate adjustments in allotments will be considered periodically on the basis of fluctuations in the business transacted after the initial allotments are established. The first of such adjustments will be made as of January 1, 1944, on the basis of the average monthly business transacted during the calendar months from the close of the period used for the establishment of the initial allotment to November 30, 1943. Thereafter, appropriate adjustments will be made as of July 1 and January 1 on the basis of the average monthly business transacted during the periods from December 1 to May 31 and June 1 to November 30, respectively; provided, however, that in the case of a depository which received its initial allotment during such preceding six-month period, the adjustment will be based on the business transacted from the close of the period used in establishing the initial allotment to May 31 or November 30, as the case may be."

(Signed) D. W. BELL

Acting Secretary of the Treasury

SUBSCRIPTION FOR 2 PERCENT DEPOSITARY BONDS, SECOND SERIES

.....
(Date)

TO FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
Withheld Taxes Division,
Federal Reserve P. O. Station,
New York 7, N. Y.

Pursuant to the provisions of Resolution Authorizing Execution of Application-Agreement, Depositary for Withheld Taxes (Treasury Form 411-A), the undersigned depositary subscribes and agrees to make payment for 2 Percent Depositary Bonds, Second Series, which may be allotted from time to time for purchase by the depositary under the provisions of Section 8 of Treasury Department Circular No. 714, as amended. For determining the amount of such bonds which the undersigned depositary may be initially or periodically entitled to purchase, and for effecting payment for the bonds allotted for purchase, the method indicated below^a is selected:

**2 PERCENT DEPOSITARY BONDS, SECOND SERIES,
TO BE PURCHASED WITH THE DEPOSITARY'S OWN FUNDS**

- The Federal Reserve Bank as fiscal agent of the United States shall compute the allotment of 2 Percent Depositary Bonds, Second Series, on the basis of Table I attached as exhibit C^b to Treasury Department Circular No. 714, as amended, and the Federal Reserve Bank is authorized to effect payment for the bonds thus allotted by charging the reserve or clearing account of this depositary.
- The Federal Reserve Bank as fiscal agent of the United States shall compute the allotment of 2 Percent Depositary Bonds, Second Series, on the basis of Table I attached as Exhibit C^b to Treasury Department Circular No. 714, as amended, and this depositary will make payment for the bonds thus allotted by remittance of the purchase price upon advice from the Federal Reserve Bank as to the amount of the approved allotment.

**BALANCE TO THE CREDIT OF THE TREASURER OF THE UNITED STATES TO BE
PLACED WITH THE DEPOSITARY TO BE USED FOR THE PURCHASE OF AN EQUAL
AMOUNT OF 2 PERCENT DEPOSITARY BONDS, SECOND SERIES**

- A balance to the credit of the "Federal Reserve Bank of New York. Fiscal Agent of the United States, for Account of the Treasurer of the United States — Time Deposit" shall be deposited with this depositary. The amount of such balance will be computed by the Federal Reserve Bank as Fiscal Agent of the United States on the basis of Table II attached as Exhibit C^b to Treasury Department Circular No. 714, as amended. The Federal Reserve Bank is authorized, in lieu of remitting the amount of such authorized balance to this depositary or crediting the account of this depositary for the amount thereof, to apply such amount to the purchase of an equal amount of 2 Percent Depositary Bonds, Second Series, for account of this depositary.

The initial allotment of 2 Percent Depositary Bonds, Second Series, is to be computed by the Federal Reserve Bank, as fiscal agent of the United States, on the basis of the transactions of this depositary through the month of..... It is agreed that payment for all 2 Percent Depositary Bonds, Second Series, purchased by the undersigned depositary shall be made on the first day of the second month following the end of the month referred to above, and that such bonds shall be issued as of such date, or as of such later date as payment for the Bonds is received by the Federal Reserve Bank for credit in the General Account of the Treasurer of the United States. All 2 Percent Depositary Bonds purchased on subsequent adjustment dates as provided in Treasury Circular No. 714, as amended, shall be handled in like manner.

This subscription for 2 Percent Depositary Bonds, Second Series, and selected method of allotment and payment thereof shall remain in effect as long as the undersigned depositary is qualified as a depositary for withheld taxes unless new form of subscription in substitution thereof is submitted to the Federal Reserve Bank in time to be effective on the regular adjustment dates of January 1 and July 1 prescribed by Treasury Department Circular No. 714, as amended.

..... A.B.A. No.....

(Name and Location of Depositary)

By:

(Name and Title)^c

^a One of the three alternative methods shown should be selected by placing a check in the appropriate square.
^b Allotments of depositary bonds will be computed by the Federal Reserve Bank on the basis of the amount of remittances received by the Federal Reserve Bank and number of items related to such remittances.
^c The officer subscribing on behalf of the depositary shall be one designated in the Resolution (Form 411-A) mentioned above.

SUBSCRIPTION FOR 2 PERCENT DEPOSITARY BONDS, SECOND SERIES

.....
(Date)

TO FEDERAL RESERVE BANK OF NEW YORK,
Fiscal Agent of the United States,
Withheld Taxes Division,
Federal Reserve P. O. Station,
New York 7, N. Y.

Pursuant to the provisions of Resolution Authorizing Execution of Application-Agreement, Depositary for Withheld Taxes (Treasury Form 411-A), the undersigned depositary subscribes and agrees to make payment for 2 Percent Depositary Bonds, Second Series, which may be allotted from time to time for purchase by the depositary under the provisions of Section 8 of Treasury Department Circular No. 714, as amended. For determining the amount of such bonds which the undersigned depositary may be initially or periodically entitled to purchase, and for effecting payment for the bonds allotted for purchase, the method indicated below^a is selected:

**2 PERCENT DEPOSITARY BONDS, SECOND SERIES,
TO BE PURCHASED WITH THE DEPOSITARY'S OWN FUNDS**

- The Federal Reserve Bank as fiscal agent of the United States shall compute the allotment of 2 Percent Depositary Bonds, Second Series, on the basis of Table I attached as exhibit C^b to Treasury Department Circular No. 714, as amended, and the Federal Reserve Bank is authorized to effect payment for the bonds thus allotted by charging the reserve or clearing account of this depositary.
- The Federal Reserve Bank as fiscal agent of the United States shall compute the allotment of 2 Percent Depositary Bonds, Second Series, on the basis of Table I attached as Exhibit C^b to Treasury Department Circular No. 714, as amended, and this depositary will make payment for the bonds thus allotted by remittance of the purchase price upon advice from the Federal Reserve Bank as to the amount of the approved allotment.

**BALANCE TO THE CREDIT OF THE TREASURER OF THE UNITED STATES TO BE
PLACED WITH THE DEPOSITARY TO BE USED FOR THE PURCHASE OF AN EQUAL
AMOUNT OF 2 PERCENT DEPOSITARY BONDS, SECOND SERIES**

- A balance to the credit of the "Federal Reserve Bank of New York. Fiscal Agent of the United States, for Account of the Treasurer of the United States — Time Deposit" shall be deposited with this depositary. The amount of such balance will be computed by the Federal Reserve Bank as Fiscal Agent of the United States on the basis of Table II attached as Exhibit C^b to Treasury Department Circular No. 714, as amended. The Federal Reserve Bank is authorized, in lieu of remitting the amount of such authorized balance to this depositary or crediting the account of this depositary for the amount thereof, to apply such amount to the purchase of an equal amount of 2 Percent Depositary Bonds, Second Series, for account of this depositary.

The initial allotment of 2 Percent Depositary Bonds, Second Series, is to be computed by the Federal Reserve Bank, as fiscal agent of the United States, on the basis of the transactions of this depositary through the month of..... It is agreed that payment for all 2 Percent Depositary Bonds, Second Series, purchased by the undersigned depositary shall be made on the first day of the second month following the end of the month referred to above, and that such bonds shall be issued as of such date, or as of such later date as payment for the Bonds is received by the Federal Reserve Bank for credit in the General Account of the Treasurer of the United States. All 2 Percent Depositary Bonds purchased on subsequent adjustment dates as provided in Treasury Circular No. 714, as amended, shall be handled in like manner.

This subscription for 2 Percent Depositary Bonds, Second Series, and selected method of allotment and payment thereof shall remain in effect as long as the undersigned depositary is qualified as a depositary for withheld taxes unless new form of subscription in substitution thereof is submitted to the Federal Reserve Bank in time to be effective on the regular adjustment dates of January 1 and July 1 prescribed by Treasury Department Circular No. 714, as amended.

..... A.B.A. No.....

(Name and Location of Depositary)

By:

(Name and Title)^c

^a One of the three alternative methods shown should be selected by placing a check in the appropriate square.
^b Allotments of depositary bonds will be computed by the Federal Reserve Bank on the basis of the amount of remittances received by the Federal Reserve Bank and number of items related to such remittances.
^c The officer subscribing on behalf of the depositary shall be one designated in the Resolution (Form 411-A) mentioned above.