

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 3025]
November 14, 1945

UNITED STATES EXCESS PROFITS TAX REFUND BONDS

Procedure for Optional Redemption on or after January 1, 1946

*To all Banks and Trust Companies in the
Second Federal Reserve District and Others Concerned:*

Following is a copy of a press statement issued by the Treasury Department concerning the redemption of United States Excess Profits Tax Refund Bonds:

**TREASURY DEPARTMENT
Washington**

**FOR RELEASE, MORNING NEWSPAPERS,
Saturday, November 10, 1945.**

**Press Service
No. V-124**

Procedure for the redemption on or after January 1, 1946, of Excess Profits Tax Refund Bonds, as authorized in the recently enacted Tax Adjustment Act of 1945, was announced today by the Treasury Department. All of the outstanding tax refund bonds become eligible for redemption on that date.

Owners who desire payment on January 1 are urged to surrender their bonds immediately. Others are requested to surrender their bonds well in advance of any later payment date desired.

Full instructions on how to submit the bonds for redemption will be mailed within the next few days to all owners of record, of whom there are approximately 70,000. Assignment of the bonds to the Secretary of the Treasury for redemption is to be made by executing a form on the back of the securities, unless otherwise specifically instructed. They are then to be forwarded to the Treasury Department, Fiscal Service, Division of Loans and Currency, Washington 25, D. C., or to any Federal Reserve Bank or Branch.

Although eligible for redemption January 1, the bonds continue to be non-negotiable until six months after the formal ending of World War II hostilities. Bonds to the amount of \$1,112,536,347.70 were outstanding on October 31. They are non-interest bearing.

The official circular, which is printed on the following pages, contains complete instructions concerning the procedure to be followed in submitting Excess Profits Tax Refund Bonds for redemption on or after January 1, 1946. Your attention is directed particularly to Section 320.6, regarding the manner in which assignments of such bonds are to be executed and witnessed, and to Section 320.9, regarding the time at which such bonds should be surrendered for redemption.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL,
President.

TITLE 31—MONEY AND FINANCE: TREASURY
Chapter II—Fiscal Service
Subchapter B—Bureau of the Public Debt
Part 320—Regulations Governing Issue Of,
Transactions In, and Optional Redemptions Of,
United States Excess Profits Tax Refund Bonds.

1945
Department Circular No. 728
First Amendment
Fiscal Service
Bureau of the Public Debt

TREASURY DEPARTMENT
OFFICE OF THE SECRETARY
Washington, November 7, 1945

TO HOLDERS OF EXCESS PROFITS TAX REFUND BONDS AND OTHERS CONCERNED:

United States Excess Profits Tax Refund Bonds issued under authority of Sections 780 to 783, of the Internal Revenue Code, as amended, and under the provisions of this Circular are non-negotiable, and are not transferable by sale, exchange, assignment, pledge, hypothecation or otherwise (except to a successor) on or before the date of cessation of hostilities in the present war as fixed by proclamation of the President or by a concurrent resolution of the two Houses of Congress. No such proclamation has been issued and no such concurrent resolution has been adopted. Consequently, these bonds have not become transferable or negotiable and may not be pledged or hypothecated. However, by the provisions of Section 3 (c) of the Tax Adjustment Act of 1945 (Public 172, 79th Congress) any such bond is payable at the option of the owner on or after January 1, 1946.

To carry out the provisions of law for such optional redemptions, Department Circular No. 728, dated December 31, 1943, is hereby amended, under authority of Section 782 of the Internal Revenue Code, as amended, and of Section 320.7 of such circular, by renumbering Sections 320.6 and 320.7 as Sections 320.11 and 320.12, and inserting the following new Sections:

"Sec. 320.6. *Optional redemption: Assignments.*—In order to secure optional redemption of an Excess Profits Tax Refund Bond on or after January 1, 1946, the bond must be assigned by the owner, using the form on the back of the bond, unless otherwise specifically instructed, to 'The Secretary of the Treasury for redemption' in the presence of one of the officers authorized to witness such assignments. (See Section 320.8.) If the registered owner is a corporation the signature should be in the name of the corporation by an authorized officer thereof, whose manual signature should be affixed and his title given, for example: 'X Corporation by William Jones, Treasurer.' If the owner is a partnership the signature should be in the name of the partnership followed by the manual signature of a general partner so described, for example: 'Smith and Jones, a partnership, by John Smith, a general partner.' The assignment form must then be completed by an officer authorized to witness such assignments, who should affix his official signature, title, address, and seal, as well as the date of the assignment. In the case of a notary public the date on which his commission expires must be shown. In the case of a corporation the title of the official executing the assignment must be inserted on the blank line in the form for the witnessing officer. In the case of a partnership the word 'the' should be stricken out immediately before the blank line and the words 'a general partner' inserted. In the case of an individual owner the words 'of the' following the blank line should be stricken out. If an owner is an individual under disability, the estate of a deceased person, a fiduciary, a corporation in course of dissolution, or is an insolvent or bankrupt, special instructions should be requested of the Treasury Department, Division of Loans and Currency, Washington 25, D. C.

"(a) *Detached assignments.*—Detached assignments will not be accepted, except where specifically authorized by the Treasury Department or by a Federal Reserve Bank.

"(b) *Assignments in blank.*—Assignments in blank will be recognized only as authority for payment to the registered owner named on the bond.

"(c) *Assignments for account of third parties.*—Assignments for account of third parties will not be accepted in any case.

"(d) *Resolution.*—No resolution of the directors of a corporation owning bonds in its own right will be required as authority for the officer executing an assignment for redemption.

"Sec. 320.7. *Optional redemption: Successors.*—If the successor of the registered owner of an Excess Profits Tax Refund Bond desires redemption and the bond has not already been surrendered for reissue, such owner should request instructions as to procedure from the Treasury Department, Division of Loans and Currency, Washington 25, D. C. If the bond has already been submitted for reissue, accompanied by the necessary evidence, the Treasury Department, Division of Loans and Currency, should be immediately informed of the owner's desire for redemption rather than reissue, and requested to furnish instructions as to procedure.

"Sec. 320.8. *Optional redemption: Witnessing Officers.*—All assignments, whether on the bonds themselves or on detached forms specifically authorized by the Treasury Department or Federal Reserve Banks, must be executed in the presence of and be witnessed by one of the officers authorized to witness assignments of United States registered bonds for redemption for account of the registered owner. The officers so authorized include, among others, executive officers of banks and trust companies incorporated in the United States and its organized territories and the branches thereof, foreign and domestic, executive officers of Federal Land banks, certain officers of Federal Reserve Banks and Branches and notaries public. A complete list of such officers may be obtained from the Treasury Department or a Federal Reserve Bank or Branch.

"Sec. 320.9. *Optional redemption: Surrender of bonds.*—After the execution of the assignment for optional redemption, bonds should be surrendered at the expense and risk of the owner, either to the Treasury Department, Division of Loans and Currency, Washington 25, D. C., or to a Federal Reserve Bank or Branch.

"(a) *Immediate surrender.*—Those owners desiring to take advantage of the optional redemption privilege and who desire payment on January 1, 1946, are strongly urged to surrender their bonds immediately in order that examination of assignments may be completed and checks drawn in time to be delivered on January 1, 1946. Those owners not desiring to take immediate advantage of the privilege, but who later determine to do so are likewise urged to surrender their bonds well in advance of the date on which they desire payment.

"Sec. 320.10. *Optional redemption: Payment.*—Payment will be made by check drawn to the registered owner of the bond, except that in case of successorship the check will be drawn to the order of the successor or successors. In special cases such as individual owners under disabilities, estates of deceased owners, fiduciaries, corporations being dissolved, or insolvent or bankrupt owners, checks will be drawn to the proper representatives."

D. W. BELL,
Acting Secretary of the Treasury.