

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. **4712**
March 9, 1959]

SAFEKEEPING, HANDLING AND SHIPMENT OF SECURITIES

Revision of Operating Circular No. 14

*To All Member and Nonmember Banks
in the Second Federal Reserve District:*

Enclosed is a copy of our Operating Circular No. 14, Revised March 9, 1959. In addition to editorial changes, the circular contains the following changes:

Paragraph 1 has been revised (1) by adding the provision that under certain conditions we will accept and hold in safekeeping at our Head Office for account of any central reserve city member bank marketable securities of the United States owned solely by such bank when such securities are being used from time to time as collateral for borrowings from this Bank or for balances in Treasury Tax and Loan Accounts, and (2) by amending the provisions relating to safekeeping of securities at our Buffalo Branch.

Paragraph 5 is new. It restates, and broadens the effect of, the provisions of the last two sentences of former paragraph 7, relating to the extent of this Bank's liability for failure to perform certain services with respect to securities held in safekeeping.

Paragraph 6 (formerly 5), relating to services performed by this Bank with respect to maturing securities held in safekeeping, has been revised to include among such securities certain securities payable in any Federal Reserve district (instead of "within the continental United States, excluding Alaska").

Paragraph 9 (formerly 8) now sets forth the current practice of this Bank in passing credit to the account of a member bank for payment obtained by us in the form of a check drawn on a commercial bank, when instructed by the member bank to sell securities or to deliver them against payment.

Paragraph 17 (formerly 16) sets forth the text of the currently effective provisions of our registered mail insurance policies with respect to war and related risks.

Paragraph 19 (formerly 18) now provides in subparagraph (b), as a condition of eligibility for coverage under certain registered mail insurance policies, that the contents of a shipment of securities to us must be verified by at least one person.

Additional copies of the revised Operating Circular No. 14 will be furnished upon request.

ALFRED HAYES,
President.