

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 4873]
April 13, 1960

**REPORTS OF TRANSACTIONS IN FOREIGN EXCHANGE,
TRANSFERS OF CREDIT, AND EXPORT
OF COIN AND CURRENCY**

Revision of Operating Circular No. 19

*To All Banks, Bankers, Brokers, and Others Concerned,
in the Second Federal Reserve District, Puerto Rico,
the Virgin Islands, and the Panama Canal Zone:*

Enclosed is a copy of Operating Circular No. 19, Revised April 13, 1960. The revised circular incorporates the one outstanding supplement to the superseded edition of the circular; contains the text of the Regulations of the Treasury Department on transactions in foreign exchange, transfers of credit, and export of coin and currency; and includes, in paragraphs 3 and 4, editorial changes resulting from the deletion of an appendix to the Regulations.

Additional copies of the operating circular will be furnished upon request.

ALFRED HAYES,
President.

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*To All Banks, Bankers, Brokers, and Others Concerned, in the
Second Federal Reserve District, Puerto Rico, the
Virgin Islands, and the Panama Canal Zone:*

This circular contains information on the reports required to be filed with this Bank by persons within the Second Federal Reserve District, Puerto Rico, the Virgin Islands, and the Panama Canal Zone* pursuant to the provisions of Executive Order No. 6560, Executive Order No. 10033, and the Regulations of the Secretary of the Treasury.

Executive Order No. 6560

1. Executive Order No. 6560, dated January 15, 1934, prohibits, unless licensed or excepted as provided therein, transactions in foreign exchange, transfers of credit, and the export or withdrawal from the United States of coin and currency. Section 5 of the Order authorizes the Secretary of the Treasury to prescribe regulations to carry out the purposes of the Order, and to require any person engaged in any such transaction, transfer, export, or withdrawal, to furnish complete information relative thereto. The text of the Order is published in the Code of Federal Regulations, Volume 31, Part 127.

Executive Order No. 10033 and determinations thereunder

2. Executive Order No. 10033, dated February 8, 1949, among other things, authorizes (a) the National Advisory Council on International Monetary and Financial Problems to determine what information is essential in order that the United States Government may comply with requests for data received from the International Monetary Fund, and (b) the Director of the Bureau of the Budget to determine what Federal executive agency shall collect such information. The text of the Order is published in the Code of Federal Regulations, Volume III, 1949 Supplement.

3. The National Advisory Council, on March 18, 1949, made the following determination pursuant to Executive Order No. 10033:

The National Advisory Council, having consulted with the Director of the Bureau of the Budget, determines that information with respect to gold holdings, foreign currency claims on and dollar liabilities to

* In a letter dated February 1, 1954, the Acting Secretary of the Treasury authorized this Bank "to serve as fiscal agent of the United States for the collection of any and all reports required under the Treasury Regulations of April 27, 1949, as amended, from persons in Puerto Rico, the Virgin Islands, and the Panama Canal Zone."

foreigners of banks, brokers, corporations and others in the United States, including the United States Government, is essential annually in order that the United States Government may comply with the official request of the International Monetary Fund.

4. In a determination dated May 4, 1950, amending a previous determination, the Director of the Bureau of the Budget, pursuant to Executive Order No. 10033, designated the Treasury Department as the Federal executive agency to collect the information found essential by the National Advisory Council (except information relative to claims and liabilities of United States Government agencies).

Regulations of the Secretary of the Treasury

5. The Regulations of the Secretary of the Treasury issued pursuant to the above-mentioned Executive Orders and determinations are printed beginning on page 4 of this circular. The Regulations:

(a) grant a general license authorizing the transactions prohibited by Executive Order No. 6560;

(b) require every person subject to the jurisdiction of the United States engaging in any transaction, transfer, export or withdrawal referred to in Section 1 of that Order to furnish to the Federal Reserve Bank of the Federal Reserve District in which such person has his principal place of business, or, if such person has no principal place of business in a Federal Reserve District, to the Treasury Department or to such agency as that Department may designate,

(i) complete information relative thereto, including information relative to claims and liabilities arising therefrom, and,

(ii) for the purpose of Executive Order No. 10033, the information determined to be essential by the National Advisory Council in order to comply with official requests for data made by the International Monetary Fund,

to such extent and in such manner and at such intervals as is required by report forms and instructions prescribed by the Secretary of the Treasury; and

(c) describe the report forms prescribed by the Secretary for furnishing the information called for by the Regulations, and specify the persons required to make such reports and the frequency with which such reports are required to be made (paragraph 7 of this circular sets forth certain exemptions from the reporting requirements).

When completed reports should be filed with this Bank

6. The completed reports required to be filed with this Bank should be filed within the following respective periods:

(a) *Monthly reports on Forms B-1 and B-2*: Not later than the fifteenth day following the report date (the last business day of each month).

(b) *Monthly reports on Form S-1/3*: Not later than the fifteenth day following the end of the month covered by the report.

(c) *Quarterly reports on Form C-1/2*: Not later than the last day of the month following the report date (the last business day of each quarter ending in March, June, September and December).

(d) *Semiannual reports on Form S-4*: Not later than the fifteenth day following the report dates (June 30 and December 31).

(e) *Annual reports on Form IMF-C*: Not later than the last day of the month following the report date.

Who must report

7. All bankers and banking institutions, brokers and dealers, exporters, importers, industrial and commercial concerns, and other nonbanking institutions in the United States are required to report, except as specified in paragraph 8. The reports of head offices having branches or subsidiaries in the United States should include the reportable amounts of all such branches or subsidiaries.

Exemptions from reporting requirements

8. The Secretary of the Treasury has exempted the persons indicated below from furnishing information on the following prescribed forms. The exemption may be applied separately to each branch or subsidiary.

(a) *Foreign Exchange Form B-1*: A report as of any one month need not be filed by a banker or banking institution if the grand total of liabilities to "foreigners" for its own account and for the account of others averaged less than \$500,000 in the six months ending with and including the reporting date, computed by averaging the monthly closing balances. This exemption applies separately to each domestic branch of a reporting institution.

(b) *Foreign Exchange Form B-2*: The exemption applicable to Form B-1, set forth in (a) above, is also applicable to Form B-2 (Claims on "Foreigners").

(c) *Foreign Exchange Form S-1/3*: A report for any one month need not be filed by a "person," otherwise required to report, if both the grand total of purchases and the grand total of sales of "long-term" securities, for his own account or for the account of others in transactions with "foreigners," averaged less than \$100,000 per month in the six months preceding the reporting date, computed by including transactions made in the month ending on the reporting date.

(d) *Foreign Exchange Form C-1/2*: A report with respect to liabilities to "foreigners" (C-1) as of the end of any quarter need not be filed by any "person," otherwise required to report, if the grand total of his liabilities to "foreigners" for his own account and for the account of others averaged less than \$100,000 in the quarter ending with the reporting date and the preceding quarter, computed by averaging the closing balances as of the end of the two quarters. Similarly, a report with respect to claims on "foreigners" (C-2) as of the end of any quarter need not be filed by any "person," otherwise required to report, if the grand total of his claims on "foreigners" for his own account and for the account of others averaged less than \$100,000 in the quarter ending with the reporting date and the preceding quarter, computed by averaging the closing balances as of the end of the two quarters.

(e) *Foreign Exchange Form S-4*: A report as of June 30 or December 31 need not be filed by a broker or dealer, otherwise required to report, whose total debit balances and total credit balances in accounts with "foreigners" are both less than \$100,000 on the reporting date and also were less than \$100,000 on the preceding reporting date.

Requests for report forms

9. Requests for the prescribed report forms should be addressed to the Balance of Payments Division of the Research Department of this Bank.

Effect of this circular on previous circular

10. This circular supersedes our Operating Circular No. 19, Revised effective March 31, 1954, and the First Supplement thereto, dated December 8, 1955.

ALFRED HAYES,
President.

PART 128—TRANSACTIONS IN FOREIGN EXCHANGE, TRANSFERS OF CREDIT, AND EXPORT OF COIN AND CURRENCY*

SUBPART A—REGULATIONS

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SUBPART B—DESCRIPTION OF FORMS PRESCRIBED UNDER THIS PART

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128.13 Foreign Exchange Form B-2: Claims on "foreigners".
128.14 Foreign Exchange Form C-1/2: Liabilities to and claims on "foreigners".
128.15 Foreign Exchange Form S-1/3: Purchases and sales of "long-term" securities by "foreigners".
128.16 Foreign Exchange Form S-4: Foreign debit and credit balances.
128.18 Form IMF-C: Dollar liabilities to "foreigners".

AUTHORITY: § § 128.1 to 128.18 issued under sec. 5, 40 Stat. 415, as amended; 50 U. S. C. App. 5. Interpret or apply sec. 8, 59 Stat. 515; 22 U. S. C. 286f, E. O. 6560, Jan. 15, 1934, E. O. 10033, 14 F. R. 561, 3 CFR, 1949 Supp.

SUBPART A—REGULATIONS

SOURCE: § § 128.1 to 128.3 appear at 14 F. R. 2063, Apr. 27, 1949.

§ 128.1 *General license.* Licenses may be granted, and a general license is hereby granted, to all individuals, partnerships, associations, and corporations, authorizing any and all transactions in foreign exchange, transfers of credit, and exports of currency (other than gold certificates) and silver coin. The general license granted in this section authorizes transactions to be carried out which are permitted by Executive Order 6560 of January 15, 1934

* Extract from Title 31, Code of Federal Regulations.

(Part 127 of this chapter), under license therefor issued pursuant to such Executive order; but does not authorize any transaction to be carried out which, at the time, is prohibited by any other order or by any law, ruling, or regulation.

§ 128.2 *Reports.* In order to effectuate the purposes of Executive Order 6560 of January 15, 1934 (Part 127 of this chapter), and in order that information requested by the International Monetary Fund under the Articles of Agreement of the Fund may be obtained in accordance with section 8 (a) of the Bretton Woods Agreements Act (Sec. 8 (a) 59 Stat. 515; 22 U. S. C. 286f and Executive Order No. 10033, 14 F. R. 561; 3 CFR, 1949 Supp.), every person subject to the jurisdiction of the United States engaging in any transaction, transfer, export or withdrawal referred to in § 127.1 of this chapter shall furnish to the Federal Reserve bank of the district in which such person has his principal place of business in the United States information relative thereto, including information relative to claims and liabilities arising therefrom, and information determined to be essential to comply with official requests for data made by the International Monetary Fund, to such extent and in such manner and at such intervals as is required by report forms and instructions prescribed by the Secretary of the Treasury. In the event that such person has no principal place of business within a Federal Reserve district, the information shall be furnished directly to the Office of International Finance, Treasury Department, Washington 25, D. C., or to such agency as the Treasury Department may designate.

§ 128.3 *Modification or revocation.* The regulations in this part and the general license granted in this part may be modified or revoked at any time.

SUBPART B—DESCRIPTION OF FORMS PRESCRIBED UNDER THIS PART

SOURCE: §§ 128.10 to 128.18 appear at 15 F. R. 239, Jan. 14, 1950, except as otherwise noted.

§ 128.10 *Copies.* Copies of the forms described in this subpart with instructions may be obtained from any Federal Reserve bank or the Office of International Finance, Treasury Department, Washington 25, D. C.

§ 128.11 *Foreign Exchange Form B-1: Liabilities to "foreigners".* On this form bankers and banking institutions in the United States are required to report monthly to a Federal Reserve bank "short-term" and certain other liabilities to "foreigners" or assets held on behalf of "foreigners" which represent claims on institutions or individuals in the United States, as of the last day of business of the month.

§ 128.13 *Foreign Exchange Form B-2: Claims on "foreigners".* On this form bankers and banking institutions in the United States are required to report monthly to a Federal Reserve bank "short-term" and certain other assets owned by the reporter or a domestic client which represent claims on "foreigners", as of the last day of business of the month.

§ 128.14 *Foreign Exchange Form C-1/2: Liabilities to and claims on "foreigners".* On this form exporters, importers, industrial and commercial concerns and other nonbanking institutions are required to report quarterly as of the last day of business of the quarter, to a Federal Reserve bank "short-term" and certain other liabilities to and claims on "foreigners" acquired or held, either in the United States or abroad, by reporting organizations for their own account or for the account of others.

§ 128.15 *Foreign Exchange Form S-1/3: Purchases and sales of "long-term" securities by "foreigners".* On this form bankers and banking institutions, brokers, dealers, etc., are required to report monthly to a Federal

Reserve bank transactions in "long-term" and certain other securities executed in the United States for account of "foreigners" and transactions in "long-term" securities executed abroad for their own account and for the account of their domestic clients.

§ 128.16 *Foreign Exchange Form S-4: Foreign debit and credit balances.* On this form brokers, dealers, etc., are required to report semi-annually to a Federal Reserve bank, the debit and credit balance in their accounts carried by or for "foreigners", as of June 30 and December 31.
[19 F. R. 685, Feb. 5, 1954]

§ 128.18 *Form IMF-C: Dollar liabilities to "foreigners".* On this form bankers and banking institutions in the United States are required to report annually, as of April 30th, to a Federal Reserve bank short-term dollar liabilities to "foreigners".

NOTE: The reporting requirements contained in this subpart have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.