

FEDERAL RESERVE BANK
OF NEW YORK
Fiscal Agent of the United States

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OF NEW YORK**

Fiscal Agent of the United States

TRANSACTIONS IN UNITED STATES SECURITIES
OTHER THAN SAVINGS BONDS

[Circular No. 5149]
[February 9, 1962]

**TRANSACTIONS IN UNITED STATES SECURITIES
OTHER THAN SAVINGS BONDS**

Revision of Operating Circular No. 17 and its Appendix

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

Enclosed is a copy of our Operating Circular No. 17 and of the Appendix to it, both Revised February 9, 1962. The revised operating circular contains editorial changes and incorporates the two outstanding supplements to the superseded circular. In addition, paragraph 3 of the revised operating circular, relating to transactions in United States securities owned by a deceased resident of New York State, and paragraph 4 of the revised Appendix, relating to redemption of United States bonds to pay Federal estate taxes, have been amended to conform with the current regulations of the New York State Tax Commission. The regulations now provide that securities owned by a deceased resident of New York State can be transferred without obtaining a waiver and consent from the New York State Department of Taxation and Finance, if the securities do not exceed \$2,000 (formerly \$500) in value.

Additional copies of the enclosures will be furnished upon request.

ALFRED HAYES,
President.

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Operating Circular No. 17]
[Revised February 9, 1962]

TRANSACTIONS IN UNITED STATES SECURITIES
OTHER THAN SAVINGS BONDS

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

This circular contains information and instructions relating to transactions with this Bank, as fiscal agent of the United States, involving United States securities other than savings bonds. Questions concerning transactions that do not appear to be covered by this circular or by Treasury Department Circular No. 300 (current revision), should be referred to this Bank before action is taken.

Accompanying this circular is an Appendix, entitled "Redemption of Treasury Bonds to Pay Federal Estate Taxes." It lists the series of Treasury bonds redeemable at par to pay Federal estate taxes, and indicates the procedure to be followed in submitting those bonds to this Bank for that purpose.

TREASURY DEPARTMENT CIRCULAR NO. 300

1. The general regulations of the Treasury Department governing United States securities are contained in Treasury Department Circular No. 300, copies of which will be furnished by this Bank upon request. Information on such transactions as transfers, exchanges, reissues, redemption, and payment is set forth in detail in that circular.

2. This Bank, as fiscal agent of the United States, is authorized to handle transactions in United States securities in accordance with Treasury Department Circular No. 300, and has prepared the following forms to facilitate the handling at this Bank of certain of the transactions indicated in that circular; these forms should be used in lieu of the corresponding forms specified in the circular, as indicated below:

	<i>This Bank's form</i>	<i>Treasury's form</i>
Transfer of Registered Securities	GB 309	PD 1644
Exchange of Registered for Bearer Securities	GB 305	PD 1643
Exchange of Bearer for Registered Securities	GB 308	PD 1642
Denominational Exchange of Bearer Securities	GB 35	PD 1827
Redemption of Registered or Incribed Securities	GB 310	PD 1705
Redemption of Bearer Securities	GB 311	PD 1704

ESTATE OF DECEASED RESIDENT OF NEW YORK STATE

3. United States securities owned by a decedent at the time of death submitted through the Federal Reserve Bank of New York for exchange, transfer, reissue, payment, or redemption should be accompanied by a waiver and consent from the New York State Department of Taxation and Finance if the owner died a resident of the State of New York and the face amount of the securities submitted, plus accrued interest, if any, exceeds \$2,000.

TRANSPORTATION CHARGES AND RISKS

Shipments from this Bank

4. Shipments from this Bank of United States securities on original issue will be made by registered mail at the risk and expense of the United States.

5. Shipments from this Bank of *bearer* securities on other than original issue will be made by registered mail and insured under our registered mail insurance policies, at the risk and expense of the owner, unless we receive written instructions to the contrary.

6. Shipments from this Bank of *registered* securities on other than original issue will be made by registered mail without expense to, but at the risk of, the owner. Such shipments will not be insured, unless we receive written instructions to arrange for insurance.

Shipments to this Bank

7. Shipments to this Bank of United States securities for exchange, transfer, redemption, or other authorized transaction must be made at the risk and expense of the owner. Persons shipping registered securities assigned in blank, or assigned for exchange for bearer securities without restriction on the delivery of such bearer securities, should remember that such securities are in effect payable to bearer and should be treated accordingly.

Insurance coverage

8. This Bank holds certain open policies for registered mail insurance under which shipments of securities that are not made at the risk and expense of the United States may be insured at the expense of the bank requesting the shipment by us or to us. The coverage afforded by these policies and the procedure for effecting insurance under them is set forth in our Operating Circular No. 14, sent to all member and nonmember banks in this District.

9. Under the provisions of Treasury Department Circular No. 853, copies of which will be furnished upon request, banks may effect some savings in insurance costs when shipping United States securities to the Head Office or Buffalo Branch of this Bank. To be eligible for shipment under Circular No. 853, the securities must have been issued payable to bearer; they must be owned by the shipping bank or its customers; the securities must be restrictively endorsed; and the shipment must be made after one calendar month prior to the date of payment, redemption, or optional exchange. Shipments made in

accordance with Treasury Department Circular No. 853 are covered by the Government Losses in Shipment Act, as amended.

TELEGRAPHIC TRANSFERS OF SECURITIES*

Transfers authorized

10. The Federal Reserve Banks, as fiscal agents of the United States, will transfer outstanding, unmaturred, marketable bearer securities of the United States (Treasury bonds, Treasury notes, Treasury certificates of indebtedness, and Treasury bills), for account of the owners, by wire between the cities specified in the following paragraph; provided, in any case, (a) that the face amount of securities to be transferred is \$5,000 or more, (b) that the transfer is in connection with a sale of the securities, and (c) that delivery in the city to which the transfer is to be made is necessary to consummate the sale. In addition, if securities have been pledged on original issue as collateral for a Treasury Tax and Loan Account, they may be transferred by wire at the time of withdrawal from pledge if the transfer is required in connection with the delivery of the securities to the owner or his agent in one of the cities specified. Transfers for any other reason, such as transfers for the convenience of owners or transfers of securities as collateral, are not authorized. Wire transfers are provided for owners of securities as a privilege and not as a right. All transfers are conditioned on the existence of adequate facilities of the Federal Reserve Banks, without responsibility on their part for delays in effecting deliveries for any reason whatever.

Cities between which transfers may be made

11. Any of the securities specified in the foregoing paragraph may be transferred against payment or receipt between any of the following cities: Boston, New York, Philadelphia, Cleveland, Cincinnati, Pittsburgh, Richmond, Baltimore, Charlotte, Atlanta, Birmingham, Jacksonville, Nashville, New Orleans, Chicago, Detroit, St. Louis, Little Rock, Louisville, Memphis, Minneapolis, Kansas City, Denver, Oklahoma City, Omaha, Dallas, El Paso, Houston, San Antonio, San Francisco, Los Angeles, Portland, Salt Lake City, and Seattle. Transfer of any of such securities may be made between any of the cities mentioned and Washington, D. C., but such transfers may be made only against receipt. Such securities may also be transferred from the city of Buffalo to New York City or to any of the other cities named above.

Transfers from New York or Buffalo

12. Securities presented to our Head Office or Buffalo Branch for transfer by wire should be accompanied by a signed request for the transfer on our Form GB 435. If securities are presented to our Head Office for transfer to more than one Federal Reserve Bank or Branch or if the amount presented exceeds the amount to be transferred, they should be accompanied by our Form GB 573. Copies of these forms

* Transfers of deliveries of securities on original issue, at the time of allotment against fully paid subscriptions, are subject to the provisions of paragraph 19 of this circular.

will be furnished upon request. Securities for transfer should be presented with matured coupons detached and unmatured coupons attached. If any unmatured coupons are missing, available funds in the amount of the missing coupons will be acceptable in their place.

Closing hours for receipt of securities

13. Securities for telegraphic transfer from New York or Buffalo must be received by our Head Office or Branch on or before the closing hours indicated below. Transfers against immediate payment, as provided for below, will be made only when we have received previous instructions from another Reserve Bank or Branch to wire the securities and make payment.

	<i>Against payment</i>	<i>Against receipt</i>	<i>Against immediate payment</i>
Business day preceding an interest payment date	12 noon	12 noon	2 p.m.
Every other business day	1 p.m.*	2 p.m.*	3 p.m.

* 3 p.m. from New York City to San Francisco, Los Angeles, Portland, Salt Lake City, and Seattle.

Transfers to New York

14. Securities transferred to New York by wire will be delivered to the transferee at our window. However, securities transferred to us by wire for account of a member bank for which we will hold securities in safekeeping (as specified in Operating Circular No. 14) will be delivered to the safekeeping account of the member bank with us, when we are so requested.

Limitations

15. Transfers are not authorized—
- (a) On or after the date of maturity of the particular issue; or
 - (b) In the case of bonds or notes that have been called for redemption, on or after the "call redemption date" (the date on which such bonds or notes are redeemable and on which they will cease to bear interest as specified in the notice of call for redemption).

16. Whenever a Federal Reserve Bank or Branch, located in the city in which securities are to be delivered in accordance with a transfer by wire, is unable to deliver the securities before the close of business on a day that is, for that Bank or Branch, either

- (a) The last business day of a calendar month, or
- (b) The last business day preceding an interest payment date for the securities involved,

the securities will not be delivered until new instructions are received from the transferor; whenever such a Federal Reserve Bank or Branch is unable to deliver the securities before the close of business on a day that is, for that Bank or Branch, the last business day preceding either the date of maturity or the "call redemption date" for the securities involved, the transfer will be canceled.

Fees

17. Fees, in the amounts hereinafter specified, will be charged for transfers of securities by wire, with the following exceptions:

- (a) No fee will be charged for a transfer of Treasury bills or certificates of indebtedness.
- (b) No fee will be charged for a transfer of bonds or notes during the one-year period ending on the date of maturity thereof.
- (c) No fee will be charged for a transfer of bonds or notes that have been called for redemption prior to maturity after the date of the notice of call for redemption, except when the notice is dated more than one year and one day prior to the call redemption date specified in the notice, and in such case no fee will be charged for any transfer during the one-year period ending on the call redemption date.
- (d) Where securities are pledged on original issue as collateral for a Treasury Tax and Loan Account, no fee will be charged for a transfer of such securities made in connection with the withdrawal thereof from the custody of a Federal Reserve Bank for delivery to the owner or his agent in one of the cities specified in paragraph 11.

The amount of the fee for each transfer of securities of any one issue or series to be delivered to a single recipient will be as follows:

- (a) A fee of \$5 for each transfer involving securities in a face amount of not less than \$5,000 nor more than \$50,000.
- (b) A fee of \$10 for each transfer of securities in a face amount in excess of \$50,000.

Securities of two or more different issues may not be combined in a single transfer, nor may securities to be delivered to two or more recipients be combined in a single transfer.

Payment of fees

18. Fees for transfers, as provided in the foregoing paragraph, are to be paid to the Federal Reserve Bank at which securities are presented for transfer by wire. No fees will be collected by the Federal Reserve Bank to which securities are transferred. Fees should be paid, at the time securities are presented to this Bank for transfer, by check payable to the order of "Federal Reserve Bank of New York, Fiscal Agent of the United States." A member bank or nonmember clearing bank may pay the fees by presenting, in lieu of a check, a proper authorization to charge the amount thereof to its account on our books.

TRANSFERS OF DELIVERIES OF SECURITIES ALLOTTED ON ORIGINAL ISSUE

Transfers authorized

19. When a subscription or tender is entered with this Bank in connection with any public offering of Government securities, and payment in full has been made to us for the securities allotted against the subscription or tender, securities in bearer form so allotted will be delivered free of charge, upon request of the subscriber, in any of the cities to which the securities may be transferred as provided in paragraph 11.

LOST, STOLEN, DESTROYED, OR MUTILATED SECURITIES

20. Relief on account of the loss, theft, destruction, mutilation, or defacement of United States securities may be given under the authority of, and subject to the conditions contained in, the Government Losses in Shipment Act, as amended. The procedure for obtaining such relief, and the cases in which it is available, are set forth in Treasury Department Circular No. 300, copies of which will be furnished upon request.

GENERAL

Revision of this circular

21. The right is reserved to withdraw, add to, or amend at any time any of the provisions of this circular.

Effect of this circular on previous circular

22. This circular supersedes our Operating Circular No. 17, Revised May 17, 1957, and the First and Second Supplements thereto, dated March 25, 1960, and July 11, 1960, respectively.

ALFRED HAYES,
President.

FEDERAL RESERVE BANK
OF NEW YORK
Fiscal Agent of the United States

Appendix to
Operating Circular No. 17
Revised February 9, 1962

REDEMPTION OF TREASURY BONDS TO PAY
FEDERAL ESTATE TAXES

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

1. The list below sets forth the series of Treasury bonds, whether in registered or coupon form, that may be redeemed at par plus accrued interest for the purpose of applying the proceeds to the payment of Federal estate taxes.

TREASURY BONDS

Series	Dated	Due
2½'s 1962-67	May 5, 1942	June 15, 1962-67
2½'s 1963-68	Dec. 1, 1942	Dec. 15, 1963-68
2½'s 1964-69	Apr. 15, 1943	June 15, 1964-69
2½'s 1964-69	Sept. 15, 1943	Dec. 15, 1964-69
2½'s 1965-70	Feb. 1, 1944	Mar. 15, 1965-70
2½'s 1966-71	Dec. 1, 1944	Mar. 15, 1966-71
2½'s 1967-72	June 1, 1945	June 15, 1967-72
2¼'s 1959-62	June 1, 1945	June 15, 1959-62
2½'s 1967-72	Nov. 15, 1945	Dec. 15, 1967-72
2¼'s 1959-62	Nov. 15, 1945	Dec. 15, 1959-62
2¾'s (Investment Series B) 1975-80	Apr. 1, 1951	Apr. 1, 1975-80
3¼'s 1978-83	May 1, 1953	June 15, 1978-83
3's 1995	Feb. 15, 1955	Feb. 15, 1995
4's 1969	Oct. 1, 1957	Oct. 1, 1969
3⅞'s 1974	Dec. 2, 1957	Nov. 15, 1974
3½'s 1990	Feb. 14, 1958	Feb. 15, 1990
3¼'s 1985	June 3, 1958	May 15, 1985
4's 1980	Jan. 23, 1959	Feb. 15, 1980
4¼'s 1975-85	Apr. 5, 1960	May 15, 1975-85
3½'s 1980	Oct. 3, 1960	Nov. 15, 1980
3½'s 1998	Oct. 3, 1960	Nov. 15, 1998

The 4¼ per cent bonds of 1975-85 are redeemable for this purpose by the terms of their issue and by virtue of the provisions of Title 31 U. S. Code, Sec. 765, which provides, generally, that any United States bonds bearing interest of more than 4 per cent per annum may be received at par in payment of Federal estate taxes. All of the other series of bonds listed above are redeemable for this purpose solely by the terms of their issue and not by virtue of the provisions of Title 31 U. S. Code, Sec. 765.

(OVER)

Conditions and restriction

2. The conditions prerequisite to the redemption of Treasury bonds to pay Federal estate taxes, and the restriction on the amount of bonds redeemable for that purpose, are set forth in Treasury Department Circular No. 300 (current revision), copies of which will be furnished upon request. The conditions, generally, are that the bonds must have been owned by the decedent at the time of his death and thereupon constitute a part of his estate. The restriction, generally, is that the amount of bonds redeemable, plus any accrued interest due, may not exceed the amount of tax due.

Forms

3. Bonds submitted for redemption and the application of their proceeds to the payment of Federal estate taxes must be accompanied by Form PD 1782, fully completed and duly executed by the representatives or persons entitled to the estate. Form PD 1782 contains a form of assignment of the bonds submitted, and accordingly the assignment forms on registered bonds submitted need not be executed. Bonds must also be accompanied by proof of the representatives' appointment or persons' entitlement. Such proof should be in accordance with Treasury Department Circular No. 300. If the bonds submitted to this Bank are coupon bonds, they should also be accompanied by our Form GB 311; if they are registered bonds, by our Form GB 310. Copies of any of the forms referred to will be furnished upon request.

Estate of deceased resident of New York State

4. Bonds submitted through the Federal Reserve Bank of New York should be accompanied by a waiver and consent from the New York State Department of Taxation and Finance if the owner died a resident of the State of New York and the face amount of the bonds submitted, plus accrued interest, if any, exceeds \$2,000.

Effect of this Appendix on previous Appendix

5. This Appendix supersedes the Appendix Revised October 4, 1960.

ALFRED HAYES,
President.