

**FEDERAL RESERVE BANK  
OF NEW YORK**

Fiscal Agent of the United States

[ Circular No. 6556 ]  
June 15, 1970

**Restriction on Payment of Treasury Checks  
Issued to Philippine Residents**

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**Amendment to Treasury Department Circular No. 21**

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

At the request of the Treasury Department, we enclose copies of (a) a Treasury Department notice entitled "Instructions Concerning Checks Issued to Residents of the Republic of the Philippines," and (b) an amendment, dated April 22, 1970, to Treasury Department Circular No. 21 (Revised October 9, 1967).

The enclosed notice states that the Treasury Department is overprinting, in red ink, the following legend on checks drawn on the Treasurer of the United States for delivery to residents of the Philippines:

This check payable only through Manila office, First National City Bank. Payment will be made in accordance with Philippine Foreign Exchange Regulations.

Checks bearing this legend should not be accepted by banks in the United States, but should be returned without credit to the persons from whom they are received, calling attention to the legend.

The amendment to Treasury Department Circular No. 21 extends the authorized use of special powers of attorney to negotiate checks drawn on the Treasurer to financial organizations as defined in section 360.2 of the circular. The Treasury Department has asked us to point out that the amendment does not in any way alter the 12-month limitation on the validity of such powers (see section 360.12(c)) nor your responsibility, for your own protection as well as the Government's, to contact annually your customers who have given special powers of attorney in your favor for renewal of those powers. Please encourage your employees to review the provisions of Treasury Department Circular No. 21, as now amended.

Additional copies of the enclosures will be furnished upon request.

**ALFRED HAYES,**  
*President.*

TITLE 31 - MONEY AND FINANCE: TREASURY

CHAPTER II - FISCAL SERVICE, DEPARTMENT OF THE TREASURY

SUBCHAPTER C - OFFICE OF THE TREASURER OF THE UNITED STATES

PART 360 - INDORSEMENT AND PAYMENT OF CHECKS DRAWN ON THE TREASURER OF THE UNITED STATES

Department Circular No. 21 (Second Revision, First Amendment)

Part 360, Subchapter C, Chapter II of Title 31 of the Code of Federal Regulations also appearing as Treasury Department Circular No. 21, Revised, dated October 9, 1967 is hereby amended effective May 1, 1970 in the following ways:

1. Section 360.2 is amended by adding below the definition of "Federal Reserve Bank" a new definition to read:

"Financial organization" means any bank, savings bank, savings and loan association or similar institution, or Federal or State chartered credit union.

2. Section 360.8(b) is amended to delete the word "bank" wherever it appears and substitute therefor the term "financial organization", and to revoke the final sentence thereof, so as to read:

(b) Indorsement of checks by a financial organization under the payee's authorization.--When a check is credited by a financial organization to the payee's account under his authorization, the financial organization may use an indorsement substantially as follows:

"Credit to the account of the within-named payee in accordance with payee's or payees' instructions. Absence of indorsement guaranteed.

XYZ"

A financial organization using this form of indorsement shall be deemed to guarantee to all subsequent indorsers and to the Treasurer that it is acting as an attorney in fact for the payee or payees, under his or their, authorization.

3. Section 360.8(c) is amended to delete the phrase "as defined in Part 209 of this chapter", so as to read:

(c) Indorsement of checks drawn in favor of financial organizations.--All checks drawn in favor of financial organizations, for credit to the accounts of persons designating payment so to be made, shall be indorsed in the name of the financial organization as payee in the usual manner.



Financial organizations receiving and indorsing such checks shall comply fully with Part 209 of this chapter (Treasury Department Circular No. 1076, Revised).

4. Section 360.12(b) is amended to delete in the opening clause the word "bank" and substitute therefor the term "financial organization", so as to read:

(b) General powers of attorney.--Checks issued for the following classes of payments may be negotiated under a general power of attorney in favor of an individual, financial organization or other entity:

- (1) Payments for the redemption of currencies or for principal or interest on United States securities.
- (2) Payments for tax refunds.
- (3) Payments for goods and services.

5. Section 360.12(c) is amended by deleting the internal numbering, and by deleting the terms "banking institution or trust company" and substituting therefor the term "financial organization", so as to read:

(c) Special powers of attorney.--Under decisions of the Comptroller General of the United States, classes of checks other than those specified in paragraph (b) of this section may be negotiated under a special power of attorney which names a financial organization as attorney in fact; is limited to a period not exceeding 12 months, and recites that it is not given to carry into effect an assignment of the right to receive payment, either to the attorney in fact or to any other person.

6. The appendix is amended by deleting from the description of Standard Form 233 the terms "responsible banking institution or trust company" and substituting therefor the term "financial organization", so as to read:

Appendix--Standard Forms For Power of Attorney And Their Application

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Standard Form 233.--A special power of attorney on this form naming a financial organization as attorney in fact, limited to a period not to exceed 12 months and reciting that it is not given to carry into effect an assignment of the right to receive the payment, either to the attorney in fact or to any other person, may be used for classes of payments other than those shown under Standard Form 231.

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Fiscal Assistant Secretary

Dated: April 22, 1970

INSTRUCTIONS CONCERNING CHECKS ISSUED TO  
RESIDENTS OF THE REPUBLIC OF THE PHILIPPINES

TO FEDERAL RESERVE BANKS, INCORPORATED BANKS AND TRUST COMPANIES,  
AND OTHERS CONCERNED:

1. To assist the Government of the Republic of the Philippines in making its Foreign Exchange Regulations effective, the Treasury Department is overprinting checks drawn on the Treasurer of the United States for delivery to residents of the Philippines, with the following legend, in red ink, in the manner illustrated on the reverse hereof:

"This check payable only through Manila office  
First National City Bank. Payment will be made  
in accordance with Philippine Foreign Exchange  
Regulations."

The Philippine Foreign Exchange Regulations generally require the sale to authorized agents of the Philippine Central Bank of all Foreign Exchange negotiable instruments received by any person or entity residing, or located, in the Philippines.

2. United States Treasury checks bearing the legend shown should, therefore, be negotiated in the Philippines through authorized agents of the Philippine Central Bank. The authorized agents will present the checks for payment through the Manila Branch, First National City Bank, New York. The Manila Branch of the First National City Bank will accept checks bearing the overprint only from authorized agents of the Philippine Central Bank and will not accept such checks from other sources either within or outside of the Philippines. Treasury checks bearing the legend in question should not be accepted by banks in the United States and the routing symbol thereon should, therefore, be disregarded. All banking institutions of the United States receiving Treasury checks bearing the legend shown above should return them without credit to the person or other entity from which received, calling attention to the red legend on the checks.

3. Apart from the foregoing, we would also like to call the attention of all banks to the requirements of Treasury Department Circular No. 21, Revised October 9, 1967, 31 CFR 360.12 for the execution of a general or special power of attorney under the



conditions set forth in subsections (b) and (c). Particular attention is directed to subsection (f) of this section which requires the acknowledgement of the power of attorney in a foreign country to be made before a United States diplomatic or consular representative, or by a foreign notary whose official character and jurisdiction is certified to by a United States diplomatic or consular officer. See instructions on the reverse Power of Attorney Forms designated as Standard Forms 231 and 233.

**TREASURY**  
BUREAU OF  
ACCOUNTS

DIVISION OF  
DISBURSEMENT



THIS CHECK PAYABLE ONLY THROUGH MANILA OFFICE  
MANILA, PHILIPPINES

Check No.

3,529,147

SYMBOL 3280

FIRST NATIONAL CITY BANK, PAYMENT WILL BE MADE IN  
ACCORDANCE WITH PHILIPPINE FOREIGN EXCHANGE REGULATIONS \*

*Treasurer of the United States* 15-51  
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PAY TO THE  
ORDER  
OF

DOLLARS	CENTS
\$	

**VOID - NOT NEGOTIABLE  
NO CHECK ISSUED  
UNDER THIS NUMBER**

DRAWN FOR ABOVE OBJECT

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OFFICE OF THE TREASURER  
OF THE UNITED STATES

1970

GPO 891-883