

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

[Circular No. 7558]
[January 28, 1975]

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

Revision of Operating Circular No. 19

To All Bankers and Banking Institutions in the Second Federal Reserve District, Puerto Rico, the Virgin Islands, and the Panama Canal Zone, and to Brokers, Dealers, and Others Concerned That Are Subject to the Jurisdiction of the United States:

Enclosed is a copy of Operating Circular No. 19, Revised January 21, 1975, entitled "Reports of Transactions in Foreign Exchange, Transfers of Credit, and Export of Coin and Currency." The revised operating circular, which supersedes the January 30, 1973 edition of the circular, has been divided into three parts to reflect certain changes in the regulations of the Secretary of the Treasury with regard to the collection and processing of several new foreign currency reports and foreign exchange reports from certain banks and nonbanking institutions.

Part I of the circular deals with collection and processing of Treasury Foreign Exchange Reports and reflects an amendment, effective August 26, 1974, to the Treasury regulations, adding four new foreign exchange forms (B-1a, B-2a, B-3a, and S-1a) dealing with the collection of monthly information regarding (1) short-term dollar liabilities to foreigners, (2) short-term dollar claims on foreigners, (3) long-term dollar liabilities to, and claims on, foreigners, and (4) purchases and sales of long-term domestic securities by foreigners. These new forms require bankers, banking institutions, brokers, and dealers in the United States to provide data for selected countries not listed separately on existing Forms B-1, B-2, B-3, and S-1. The objective of these new reports is to collect monthly data on capital movements between the United States and certain countries for which data have been available only twice yearly on the Supplement to Foreign Exchange Form B-1. The first reports on the new forms were collected as of September 30, 1974.

Part II of the circular deals with the collection and processing of Treasury Foreign Currency Reports. An amendment, effective November 29, 1974, to the Treasury regulations issued pursuant to the Par Value Modification Act established requirements for banks and other institutions to report their positions in specified foreign currencies and the positions of their foreign branches and majority-owned foreign affiliates in such currencies. Thus far, only the reports to be filed by banks and banking institutions have been prescribed. Those reports are as follows:

1. *Foreign Currency Form FC-1*: "Weekly Report of Positions in Specified Foreign Currencies of Banks in the United States";
2. *Foreign Currency Form FC-1a*: "Monthly Report of Assets, Liabilities, and Positions in Specified Foreign Currencies of Banks in the United States";
3. *Foreign Currency Form FC-2*: "Weekly Consolidated Report of Positions in Specified Currencies of Foreign Branches and Subsidiaries of United States Banks"; and
4. *Foreign Currency Form FC-2a*: "Monthly Consolidated Report of Assets, Liabilities, and Positions in Specified Currencies of Foreign Branches and Subsidiaries of United States Banks."

The first reports on weekly Forms FC-1 and FC-2 were for December 4, 1974, and the first reports on monthly Forms FC-1a and FC-2a were as of November 29, 1974.

Additional copies of the enclosure will be furnished upon request.

ALFRED HAYES,
President.

**FEDERAL RESERVE BANK
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**REPORTS OF TRANSACTIONS IN FOREIGN EXCHANGE,
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OF COIN AND CURRENCY**

To All Bankers and Banking Institutions in the Second Federal Reserve District, Puerto Rico, the Virgin Islands, and the Panama Canal Zone, and to Brokers, Dealers, and Others Concerned That Are Subject to the Jurisdiction of the United States:

This circular contains information on the reports, hereinafter described, to be filed with this Bank (a) by bankers and banking institutions within the Second Federal Reserve District, Puerto Rico, the Virgin Islands, and the Panama Canal Zone,¹ and (b) by brokers, dealers, nonbanking business concerns, and nonprofit institutions subject to the jurisdiction of the United States. Part I pertains to the reports to be filed pursuant to the provisions of Executive Order No. 6560 and Executive Order No. 10033. Part II pertains to the reports to be filed pursuant to Title II of Public Law 93-110. Part III sets forth the regulations of the Secretary of the Treasury issued pursuant to Executive Orders Nos. 6560 and 10033 and Public Law 93-110.

Requests for report forms and alternative methods of reporting

Requests for the prescribed report forms and for permission to use alternative methods of reporting should be addressed to the Balance of Payments Division of the International Research Department of this Bank.

Alternative methods of reporting

Data required to be filed with this Bank as prescribed on the forms specified in paragraph 6 of Part I and paragraph 3 of Part II may be reported on punch cards, magnetic tape, or other media that can be processed by data-processing equipment, provided the proposed

¹ 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."

method of reporting and the format is approved in writing by this Bank. Application for the use of such alternative reporting methods should be made to the Balance of Payments Division of our International Research Department. The use of such methods shall not affect the timely filing of reports prescribed in paragraph 6 of Part I and paragraph 3 of Part II, nor the exemptions specified in paragraph 8 of Part I and paragraph 5 of Part II.

Effect of this circular on previous circular

This circular supersedes our Operating Circular No. 19, Revised January 30, 1973.

ALFRED HAYES,
President.

PART I

TREASURY FOREIGN EXCHANGE REPORTS

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 Problems² 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 Budget³ to determine what Federal executive agency shall collect such information. The text of the Order is published in the Code of Federal Regulations (3 CFR 1949-1953 Comp., p. 226).

² Name changed, effective January 1, 1966, to "National Advisory Council on International Monetary and Financial Policies."

³ Name changed, effective July 1, 1970, to "Office of Management and Budget."

3. The National Advisory Council, on September 7, 1965, 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 current information with respect to international capital movements, derived from data on United States liabilities to and claims on foreigners and transactions in securities with foreigners, and current information with respect to United States gold holdings, foreign-currency holdings, and dollar liabilities to foreigners, are essential in order that the United States may comply with official requests of the International Monetary Fund for information with respect to the United States balance of payments and monetary reserves.

4. In a determination dated December 1, 1965, the Director of the Bureau of the Budget, pursuant to Executive Order No. 10033, designated the Department of the Treasury as the Federal executive agency to collect the information found essential by the National Advisory Council (except information relative to direct-investment transactions, United States Government foreign lending operations, and claims and liabilities of United States Government agencies, which information is collected by the Department of Commerce).

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 in full in Part III of this circular. To summarize, the regulations:

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

(b) require (1) all bankers and banking institutions 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 District in which such banker or banking institution has its principal place of business in the United States, and (2) all persons subject to the jurisdiction of the United States, other than bankers and banking institutions, engaging in such transactions, to furnish to the Federal Reserve Bank of New York,⁴

(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

⁴ If any person required to report has no principal place of business within a Federal Reserve District, the information specified in subparagraph 5(b) of this Part shall be furnished to the Department of the Treasury or to such agency as that Department may designate.

(c) describe the report forms prescribed by the Secretary for furnishing the information called for by the regulations, specify the persons required to make such reports and the frequency with which such reports are required to be made (paragraph 9 of this Part sets forth certain exemptions from the reporting requirements), and permit the use of alternative methods of reporting on media that can be processed by data-processing equipment with the written approval of the Federal Reserve Bank with which the report is filed.

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 periods:

(a) *Monthly reports on Forms B-1, B-1a, B-2, B-2a, B-3 and B-3a:* Not later than the 15th day following the end of the month covered by the reports.

(b) *Monthly reports on Preliminary Summary Form B-1:* Not later than the 10th day following the last day of the month.

(c) *Quarterly reports on Form B-1:* Not later than the 15th day following the end of each calendar quarter (March, June, September, and December).

(d) *Twice-yearly reports on Supplement to Form B-1:* Not later than one month following the report dates (April 30 and December 31).

(e) *Quarterly reports on Form C-1/2:* Not later than one month following the end of each calendar quarter (March, June, September, and December).

(f) *Monthly reports on Form C-3:* Not later than the 30th day following the end of the month covered by the report.

(g) *Annual reports on Form C-4:* Not later than one month following the report date (September 30).

(h) *Monthly reports on Forms S-1, S-1a, and S-2:* Not later than the 15th day following the end of the month covered by the reports.

(i) *Reports on Supplement to Form S-1:* Not later than the end of the month following the report date (there is no regular report date; reports are requested from time to time by the Department of the Treasury).

(j) *Quarterly reports on Form S-4:* Not later than the 15th day following the last day of March, June, September, and December.

(k) *Other reports:* Reports on the forms listed above or on other forms may be required from time to time at intervals other than those stated, and may call for greater detail than is required in the regular reports.

Who must report

7. All bankers and banking institutions, brokers and dealers, non-banking business concerns, and nonprofit institutions located in the United States are required to report, except as specified in paragraph 8 of this Part.

(a) Head offices of banks and banking institutions should file, with the Federal Reserve Bank of the District in which such bank or banking institution has its principal place of business, consolidated reports that include the reportable amounts of their branches in the United States. For subsidiaries of banks and banking institutions in the United States, head offices should either file consolidated reports, or ensure that amounts not so included are reported separately by their domestic subsidiaries.

(b) Head offices of brokers or dealers should file, with this Bank, consolidated reports that include the reportable amounts of their branches and subsidiaries in the United States.

(c) Head offices of nonbanking business concerns and nonprofit institutions should either file, with this Bank, consolidated reports that include the reportable amounts of their branches and subsidiaries in the United States, or ensure that amounts not so included are reported separately by their domestic branches and subsidiaries to this Bank.

Exemptions from reporting requirements

8. The Secretary of the Treasury has exempted the persons indicated below from furnishing information on the following prescribed forms:

(a) *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 "short-term" 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. The monthly report of any banking institution having branches in the United States should include the reportable liabilities to "foreigners" of all such branches, except that the \$500,000 exemption limit may be applied separately to each branch. In quarterly reports by bankers and banking institutions having branches or subsidiaries abroad, and agencies, branches, subsidiaries, or other affiliates of foreign banks, amounts aggregating less than \$500,000 for any individual country should not be reported.

(b) *Form B-1a*: Bankers and banking institutions that are exempt from reporting on Form B-1 are also exempt from reporting on Form B-1a. There is no separate exemption level applicable to that form.

(c) *Preliminary Summary Form B-1*: A report need not be filed for any month on Preliminary Summary Form B-1 by bankers and banking institutions that have a foreign branch or branches and report on Form B-1 as of the end of January liabilities to "foreigners" totaling less than \$20 million, nor by bankers and banking institutions that do *not* have a foreign branch or branches and report on Form B-1 as of the end of January liabilities to foreigners totaling less than \$50 million; if such liabilities reach the specified levels at the end of any other month in the year, however, a report on Preliminary Summary Form B-1 is required as of the end of each subsequent month in the calendar year, including any month in which short-term liabilities to "foreigners" fall below the specified levels.

(d) *Supplement to Form B-1*: Bankers and banking institutions that are exempt from reporting on Form B-1 are also exempt from reporting on the Supplement to Form B-1. There is no separate exemption level applicable to that form.

(e) *Form B-2*: The exemption applicable to monthly reports on Form B-1, set forth in (a) above, is also applicable to Form B-2 ("Short-Term" Claims on "Foreigners").

(f) *Form B-2a*: Bankers and banking institutions that are exempt from reporting on Form B-2 are also exempt from reporting on Form B-2a. There is no separate exemption level applicable to that form.

(g) *Form B-3*: The exemption applicable to monthly reports on Form B-1, set forth in (a) above, is also applicable to Form B-3 ("Long-Term" Liabilities to, and Claims on, "Foreigners").

(h) *Form B-3a*: Bankers and banking institutions that are exempt from reporting on Form B-3 are also exempt from reporting on Form B-3a. There is no separate exemption level applicable to that form.

(i) *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 \$500,000 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 \$500,000 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. These exemptions may be applied separately to each domestic branch and subsidiary.

(j) *Form C-3*: A report for any one month need not be filed by a "person," otherwise required to report, if the grand total of his claims reportable on Form C-3 is less than \$1 million on the reporting date. This exemption may be applied separately to each domestic branch and subsidiary.

(k) *Form C-4*: A report for September 30 of any year need not be filed by any "person," otherwise required to report, who does not report any "short-term" liquid claims opposite "All other countries" on Form C-3 as of September 30 of that year.

(l) *Form S-1*: 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.

(m) *Form S-1a*: Persons exempt from reporting on Form S-1 are also exempt from reporting on Form S-1a. There is no separate exemption level applicable to that form.

(n) *Form S-2*: Persons exempt from reporting on Form S-1 are also exempt from reporting on Form S-2. There is no separate exemption level applicable to that form.

(o) *Form S-4*: A report as of the end of any quarter 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 each less than \$100,000 on the reporting date and also were less than \$100,000 on the preceding reporting date.

PART II

TREASURY FOREIGN CURRENCY REPORTS

Title II of Public Law 93-110

1. Title II of Public Law 93-110, dated September 21, 1973, amends the Par Value Modification Act and requires the Department of the Treasury to collect statistical reports of the foreign currency transactions of banks and other business concerns in the United States and of foreign branches and majority-owned foreign subsidiaries of U.S. banks and nonbank firms.

Regulations of the Secretary of the Treasury

2. The regulations of the Secretary of the Treasury issued pursuant to Title II of Public Law 93-110 are printed in full in Part III of this circular. To summarize, the regulations:

(a) require (1) all bankers and banking institutions and all their affiliates, including bank holding companies, subject to the jurisdiction of the United States to furnish to the Federal Reserve Bank of the District in which such banker or banking institution has its principal place of business in the United States, and (2) all persons subject to the jurisdiction of the United States, other than bankers, banking institutions and their domestic affiliates, to furnish to the Federal Reserve Bank of New York: complete information relative to their own foreign currency assets, liabilities and positions, and those of their foreign branches and majority-owned subsidiaries, to the extent and in such manner and at such intervals as required by report forms and instructions prescribed by the Secretary of the Treasury; and

(b) describe the report forms prescribed by the Secretary for furnishing the information required 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 5 of this Part sets forth certain exemptions from the reporting requirements).

When completed reports should be filed with this Bank

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

(a) *Weekly reports on Form FC-1*: Not later than three business days following the Wednesday to which the report applies. (If Wednesday is not a business day, the report should be filed as of the preceding business day.)

(b) *Monthly reports on Form FC-1a*: Not later than the fifteenth day following the last business day of the month.

(c) *Weekly consolidated reports on Form FC-2*: Not later than ten business days following the Wednesday to which the report applies. (If Wednesday is not a business day abroad for any of a bank's reporting branches or subsidiaries, the report should include reportable items for those offices as of the preceding business day.)

(d) *Monthly consolidated reports on Form FC-2a*: Not later than one month following the last business day of the month covered by the report.

Who must report

4. All bankers and banking institutions in the United States, including bank holding companies, and the agencies, branches, and subsidiaries located in the United States of foreign bankers and banking institutions; all United States bankers and banking institutions, including bank holding companies, that have branches and majority-owned subsidiaries abroad; all United States brokers, dealers, non-banking business concerns, and nonprofit institutions; and all United States persons with a controlling interest in a foreign person or persons,

are required to report, except as specified in paragraph 5. Bank holding companies that have filed with the Board of Governors of the Federal Reserve System under Section 4(c)(12) of the Bank Holding Company Act an irrevocable declaration that they will cease to be a bank holding company, or have received an exemption under Section 4(d) of that Act, are not required to file the forms required to be filed by banks; such bank holding companies should file instead the forms required to be filed by nonbanking business firms.

(a) Head offices of banks and banking institutions should file with the Federal Reserve Bank of the District in which such bank or banking institution has its principal place of business in the United States. Reports of any such bank having branches in the United States should include the reportable items of all such branches. Reports of banking subsidiaries in the United States, including Edge Act corporations, should be filed separately with the Federal Reserve Bank of the District in which they are located. Reports of domestic nonbanking subsidiaries may be included in reports of head-office banks or may be filed separately.

(b) Head offices of United States banks and banking institutions, including bank holding companies, that have branches or majority-owned subsidiaries located abroad, should file a consolidated report covering the reportable items of all such branches and subsidiaries with the Federal Reserve Bank of the District in which such bank is located. In cases in which the majority ownership is held by more than one United States bank, the bank that holds the largest percentage of the shares held by United States banks should file the reports. If equal shares are held by United States banks, the reports should be filed by one of the United States banks, chosen by agreement among the banks involved.

(c) Head offices of brokers, dealers, nonbanking business concerns, and nonprofit institutions should file reports with the Federal Reserve Bank of New York.⁵

Exemptions from reporting requirements:

5. The Secretary of the Treasury has exempted the persons indicated below from furnishing information on the prescribed forms. Dollar equivalent values, for purposes of the exemption, are to be calculated using exchange rates prevailing as of the close of business on the day to which the report applies.

(a) *Form FC-1*: A weekly report need not be filed if in each of the specified foreign currencies the dollar equivalent value of the net spot position, the net forward position, and the net position each is less than \$1 million, and the dollar equivalent value of forward exchange bought and forward exchange sold each is less than \$10 million. If the exemption levels are exceeded in any *one* of the specified foreign currencies, a report must be filed covering all items for all specified foreign currencies.

(b) *Form FC-1a*: A report as of any month-end need not be filed if in each of the specified foreign currencies the dollar equivalent value of the net overall position is less than \$1 million and the dollar equivalent value

⁵ As of January 21, 1975, report forms for the brokers, dealers, and nonbanking business concerns have not been prescribed by the Department of the Treasury. *Ed.*

of each of the items stated in the other column headings of the report form is less than \$10 million. If the exemption levels are exceeded in any *one* of the specified foreign currencies, a report must be filed covering all items for all of the specified foreign currencies. *However*, each banker or banking institution who reports on Form FC-1 as of any Wednesday in a month is also required to report on Form FC-1a as of the last business day of the month on all specified currencies, *regardless* of the aforementioned exemption levels.

(c) *Form FC-2*: A weekly report need not be filed with respect to a foreign branch or subsidiary if in each of the specified foreign currencies (i.e., currencies other than the U.S. dollar) the dollar equivalent value of the net spot position, the net forward position, and the net position each is less than \$500,000. If the exemption level is exceeded in any *one* of the specified foreign currencies, a report must be filed covering all items for all of the currencies specified on the form, including the U.S. dollar.

(d) *Form FC-2a*: A report need not be filed as of any month-end with respect to a foreign branch or subsidiary if in each of the specified foreign currencies (i.e., currencies other than the U.S. dollar) the dollar equivalent value of the net overall position is less than \$1 million, and the dollar equivalent value of each of the items stated in the other column headings of the form is less than \$10 million. If the exemption levels are exceeded for any *one* of the specified foreign currencies, a report must be filed covering all items for all of the currencies specified on the form, including the U.S. dollar. *However*, each banker or banking institution who reports on Form FC-2 as of any Wednesday in a month with respect to any foreign branch or subsidiary is also required to report on Form FC-2a on all specified currencies, *regardless* of the aforementioned exemption levels.

PART III
REGULATIONS OF THE SECRETARY OF THE TREASURY
TITLE 31 — MONEY AND FINANCE; TREASURY

CHAPTER I — MONETARY OFFICES, DEPARTMENT OF THE TREASURY

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

SUBPART A — REGULATIONS

Sec.

- 128.1 General license.
- 128.2 Reports.
- 128.3 Use of information reported.
- 128.4 Penalties.
- 128.5 Modification or revocation.

SUBPART B — DESCRIPTION OF FORMS PRESCRIBED UNDER THIS SUBPART

- 128.10 Copies.
- 128.11 Foreign Exchange Form B-1: "Short-term" liabilities to "foreigners."
- 128.11a Foreign Exchange Form B-1a: "Short-term" dollar liabilities to "foreigners" in selected countries not listed separately on Form B-1.
- 128.12 Supplement to Foreign Exchange Form B-1: "Short-term" dollar liabilities to "foreigners" in countries not listed separately on Form B-1 or Form B-1a.*
- 128.13 Foreign Exchange Form B-2: "Short-term" claims on "foreigners."
- 128.13a Foreign Exchange Form B-2a: "Short-term" dollar claims on "foreigners" in selected countries not listed separately on Form B-2.
- 128.14 Foreign Exchange Form B-3: "Long-term" liabilities to, and claims on, "foreigners."

* Title of form was changed by the Department of the Treasury effective with the report to be filed for December 31, 1974, because of the establishment of the requirement to file monthly Form B-1a. *Ed.*

- 128.14a Foreign Exchange Form B-3a: "Long-term" dollar liabilities to, and dollar claims on, "foreigners" in selected countries not listed separately on Form B-3.
- 128.15 Foreign Exchange Form C-1/2: Liabilities to, and claims on, "foreigners."
- 128.16 Foreign Exchange Form C-3: "Short-term" liquid claims on "foreigners."
- 128.16a Foreign Exchange Form C-4: "Short-term" liquid claims on "foreigners" in countries not listed separately on Form C-3.
- 128.17 Foreign Exchange Form S-1: Purchases and sales of "long-term" securities by "foreigners."
- 128.17a Foreign Exchange Form S-1a: Purchases and sales of "long-term" domestic securities by "foreigners" in selected countries not listed separately on Form S-1.
- 128.18 Supplement to Foreign Exchange Form S-1: U.S. Government bonds and notes held for "foreigners."
- 128.19 Foreign Exchange Form S-2: Purchases and sales of "long-term" domestic debt securities by "foreign official institutions."
- 128.20 Foreign Exchange Form S-4: Foreign debit and credit balances.
- 128.21 Use of prescribed report forms for portions of data required to be reported thereon.
- 128.22 Special survey report forms.
- 128.23 Alternative methods of reporting.

AUTHORITY: The provisions of this Part 128 issued under sec. 5, 40 Stat. 415, as amended, sec. 8, 59 Stat. 515; 50 U.S.C. App. 5, 22 U.S.C. 286f, E.O. 6560, Jan. 15, 1934, E.O. 10033, 14 F.R. 561, 3 CFR, 1949-1953 Comp.

SUBPART C — DESCRIPTION OF FORMS PRESCRIBED UNDER THIS SUBPART

- 128.30 Copies.
- 128.31 Foreign Currency Form FC-1: Weekly report of positions in specified foreign currencies of banks in the United States.
- 128.32 Foreign Currency Form FC-1a: Monthly report of assets, liabilities, and positions in specified foreign currencies of banks in the United States.

- 128.33 Foreign Currency Form FC-2: Weekly consolidated report of positions in specified currencies of foreign branches and subsidiaries of United States banks.
- 128.34 Foreign Currency Form FC-2a: Monthly consolidated report of assets, liabilities, and positions in specified currencies of foreign branches and subsidiaries of United States banks.
- 128.35 [Reserved]
- 128.36 [Reserved]
- 128.37 Special reports.

AUTHORITY: Title II, Pub. L. 93-110, 87 Stat. 352 (31 U.S.C. 1141-1143)

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SUBPART A — REGULATIONS

§ 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 (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, rulings, or regulations.

§ 128.2 *Reports.* (a) In order to effectuate the purposes of the Emergency Banking Act of 1933 (12 U.S.C. 95a) and 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 FR 561; 3 CFR, 1949 Supp.), every person subject to the jurisdiction of the United States engaging (1) in any transaction in foreign exchange; (2) in any transfer of credit between any person within the United States and any person outside of the United States; or (3) in the export or withdrawal from the United States of any currency or silver coin which is legal tender in the United States, shall furnish information relative thereto to such extent and in such manner and at such intervals as is required by report forms and instructions prescribed in Subpart B of this part.

(b) In order to effectuate the purposes of the Emergency Banking Act (12 U.S.C. 95a) and Executive Order 6560 of January 15, 1934 (Part 127 of this chapter), and to provide additional data on the nature and source of flows of mobile capital, including transactions

by large United States business enterprises and their foreign affiliates, as required by Title II of Public Law 93-110 (87 Stat. 352), every United States person engaging (1) in any transaction in foreign exchange; (2) in any transfer of credit between any person within the United States and any person outside the United States; or (3) in the export or withdrawal from the United States of any currency or silver coin which is legal tender in the United States, shall furnish information relative thereto to such extent and in such manner and at such intervals as is required by report forms and instructions prescribed in Subpart C of this part. Information shall also be furnished by every United States person or persons with regard to any foreign person controlled by such United States person or persons as provided in Subpart C of this part.

(c) All persons required to report, other than bankers and banking institutions, shall furnish the reports required under Subparts B and C of this part to the Federal Reserve bank of New York. Bankers and banking institutions shall furnish the required reports to the Federal Reserve bank of the district in which such banker or banking institution has its principal place of business in the United States. In the event that any person required to report has no principal place of business within a Federal Reserve district, the information shall be furnished directly to the Office of the Assistant Secretary for International Affairs, Department of the Treasury, Washington, D.C. 20220 or to such agency as the Department of the Treasury may designate.

(Title II, Public Law 93-110, 87 Stat. 352 (31 U.S.C. 1141-1143))

§ 128.3 *Use of information reported.* The information reported on the forms required under Subparts B and C will not be disclosed publicly by the Department of the Treasury or by any other Federal agency having access to the information as provided herein. Data reported on these forms may be published or released in the aggregate in a manner which will not reveal the amounts reported by any individual reporting bank or nonbanking firm. The Department may furnish to other Federal agencies data reported on these forms to the extent permitted by the Federal Reports Act, 44 U.S.C. 3501, *et seq.*

§ 128.4 *Penalties.* (a) Whoever willfully fails to submit a report required under this part may be criminally prosecuted and upon conviction fined not more than \$10,000, or, if a natural person, may be imprisoned for not more than ten years, or both. Any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both.

(b) Whoever fails to submit a report required under Subpart C of this part may be assessed a civil penalty not exceeding \$10,000.

(Section 2, Emergency Banking Act of 1933, 48 Stat. 1 (12 U.S.C. 95a); Section 203, Public Law 93-110, 87 Stat. 352 (31 U.S.C. 1143))

§ 128.5 *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 SUBPART¹

§ 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 Affairs,^o Treasury Department, Washington, D. C., 20220.

§ 128.11 *Foreign Exchange Form B-1: "Short-term" 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" 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.

§ 128.11a *Foreign Exchange Form B-1a: "Short-term" dollar liabilities to "foreigners" in selected countries not listed separately on Form B-1.* On this form bankers and banking institutions in the United States are required to provide monthly data on "short-term" dollar liabilities to "foreigners" in selected countries which are not listed separately on Form B-1.

§ 128.12 *Supplement to Foreign Exchange Form B-1: "Short-term" dollar liabilities to "foreigners" in countries not listed separately on Form B-1 or Form B-1a.*o* On this form bankers and banking institutions in the United States are required to report twice a year, as of April 30 and December 31, to a Federal Reserve bank "short-term" dollar liabilities to "foreigners" in countries not listed separately on Form B-1.

§ 128.13 *Foreign Exchange Form B-2: "Short-term" 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" assets owned by the reporter or held for the account of domestic customers which represent claims on "foreigners," as of the last day of business of the month.

§ 128.13a *Foreign Exchange Form B-2a: "Short-term" dollar claims on "foreigners" in selected countries not listed separately on Form B-2.* On this form bankers and banking institutions in the United States are required to provide monthly data on "short-term" dollar claims on "foreigners" in selected countries which are not listed separately on Form B-2.

§ 128.14 *Foreign Exchange Form B-3: "Long-term" liabilities to, and claims on, "foreigners."* On this form bankers and banking institutions in the United States are required to report monthly to a Federal Reserve bank "long-term" liabilities to, and claims on, "foreigners"

¹ The specific reporting requirements contained in this subpart have been approved by the Office of Management and Budget in accordance with the Federal Reports Act of 1942.

^o Name of office changed to "Office of the Assistant Secretary for International Affairs" on October 14, 1964. *Ed.*

^{oo} See Editor's note on page 9.

acquired or held, either in the United States or abroad, by reporting organizations for their own account or for the account of others, as of the last day of business of the month.

§ 128.14a *Foreign Exchange Form B-3a: "Long-term" dollar liabilities to, and claims on, "foreigners" in selected countries not listed separately on Form B-3.* On this form banks and banking institutions in the United States are required to provide monthly data on "long-term" dollar liabilities to, and "long-term" dollar claims on, "foreigners" in selected countries which are not listed separately on Form B-3.

§ 128.15 *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 in the United States 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.

§ 128.16 *Foreign Exchange Form C-3: "Short-term" liquid claims on "foreigners."* On this form exporters, importers, industrial and commercial concerns and other nonbanking institutions in the United States are required to report monthly to a Federal Reserve bank data on a portion of their claims on "foreigners," as of the last day of business of the month.

§ 128.16a *Foreign Exchange Form C-4: "Short-term" liquid claims on "foreigners" in countries not listed separately on Form C-3.* On this form reporters on Form C-3 are required to report annually a breakdown by country of the amounts which they reported as of September 30 on Form C-3 on the "All other countries" line.

§ 128.17 *Foreign Exchange Form S-1: Purchases and sales of "long-term" securities by "foreigners."* On this form bankers and banking institutions, brokers and dealers in the United States 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 customers.

§ 128.17a *Foreign Exchange Form S-1a: Purchases and sales of "long-term" domestic securities by "foreigners" in selected countries not listed separately on Form S-1.* On this form bankers and banking institutions, brokers and dealers in the United States are required to provide monthly data on transactions in "long-term" domestic securities by "foreigners" in selected countries not listed separately on Form S-1.

§ 128.18 *Supplement to Foreign Exchange Form S-1: U. S. Government bonds and notes held for "foreigners."* On this form bankers and banking institutions, brokers and dealers in the United States are

required to report to a Federal Reserve bank, as requested by the Treasury Department, their holdings for the account of "foreigners" of United States Government bonds and notes.

§ 128.19 *Foreign Exchange Form S-2: Purchases and sales of "long-term" domestic debt securities by "foreign official institutions."* On this form bankers and banking institutions, brokers and dealers in the United States are required to report monthly to a Federal Reserve bank purchases and sales of "long-term" domestic debt securities by "foreign official institutions."

§ 128.20 *Foreign Exchange Form S-4: Foreign debit and credit balances.* On this form brokers and dealers in the United States are required to report quarterly, as of the last day of business of the quarter, to a Federal Reserve bank, the debit and credit balances in their accounts carried by or for "foreigners."

§ 128.21 *Use of prescribed report forms for portions of data required to be reported thereon.* The report forms described in Sections 128.11-128.20 are also prescribed for use, as needed, for the collection at intervals other than the ones stated of a portion of the data required on each form in the same or greater detail.

§ 128.22 *Special survey report forms.* On report forms other than those described in Sections 128.11-128.20 reports are required from time to time to provide detailed information on the content of aggregate data reported on these forms and also to provide qualitative information necessary for adequate analysis of the data reported.

§ 128.23 *Alternative methods of reporting.* In lieu of reports on the forms described in this subpart, the required data may be reported on punch cards, magnetic tape, or other media that can be processed by data-processing equipment, accompanied by a printed copy of the data reported which must be signed by a responsible officer of the reporting institution. The proposed method and format of reporting must be acceptable to the Federal Reserve bank of the district in which the report is filed, and must be approved in writing by that bank.

SUBPART C — DESCRIPTION OF FORMS PRESCRIBED UNDER THIS SUBPART

§ 128.30 *Copies.* Copies of the forms described in this subpart with instructions may be obtained from a Federal Reserve bank or from the Office of the Assistant Secretary for International Affairs, Department of the Treasury, Washington, D.C. 20220.

§ 128.31 *Foreign Currency Form FC-1: Weekly report of positions in specified foreign currencies of banks in the United States.* On this form bankers and banking institutions in the United States are required to report weekly to a Federal Reserve bank their positions in the foreign currencies specified on the form, as of the close of business on Wednesday.

§ 128.32 *Foreign Currency Form FC-1a: Monthly report of assets, liabilities, and positions in specified foreign currencies of banks in the United States.* On this form bankers and banking institutions in the United States are required to report monthly to a Federal Reserve bank their assets, liabilities, and positions in the foreign currencies specified on the form, as of the last day of business of the month.

§ 128.33 *Foreign Currency Form FC-2: Weekly consolidated report of positions in specified currencies of foreign branches and subsidiaries of United States banks.* On this form United States bankers and banking institutions are required to report weekly to a Federal Reserve bank the consolidated positions of their foreign branches and majority-owned foreign subsidiaries in the currencies specified on the form as of the close of business on Wednesday.

§ 128.34 *Foreign Currency Form FC-2a: Monthly consolidated report of assets, liabilities, and positions in specified currencies of foreign branches and subsidiaries of United States banks.* On this report form United States bankers and banking institutions are required to report monthly to a Federal Reserve bank the consolidated assets, liabilities, and positions of their foreign branches and majority-owned foreign subsidiaries in the currencies specified on the form as of the last day of business of the month.

§ 128.35 [Reserved]

§ 128.36 [Reserved]

§ 128.37 *Special reports.* At times when prompt or expanded information on current conditions in the foreign exchange market is needed by the Department of the Treasury, special reports may be required at more frequent intervals or at different intervals than those specified on the forms, covering more detailed information than that required by the forms, and covering information related to that required by the forms. Special reports may be required to be submitted by telegraph or other rapid means of communication.