

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 8167]
August 22, 1977

USE OF ENGRAVED CERTIFICATES TO BE DISCONTINUED FOR
13-WEEK TREASURY BILLS

To All Banking Institutions
in the Second Federal Reserve District:

Following is the text of a statement issued August 19 by the Treasury Department advising that 13-week Treasury bills will be issued only in book-entry form beginning with the series to be issued on September 1, 1977:

The third and final phase of the program to eliminate the use of engraved certificates for new offerings of Treasury bills will begin with the September 1 issue of 13-week bills. That issue, and all subsequent 13-week issues, will be in book-entry form only. The Treasury will announce the terms of the September 1 issue on Tuesday, August 23, and auction the bills on Monday, August 29.

Under the book-entry system, the securities are recorded in the accounts of the Treasury or a Federal Reserve Bank, or in the accounts of banks or other financial institutions acting as custodians for investors. Instead of an engraved certificate, the purchaser is given a receipt as evidence of the purchase.

The program to issue Treasury bills only in book-entry form began with the 52-week bill issue of December 14, 1976. In the second phase of the program, the system was extended to 26-week bills, beginning with the June 2, 1977, issue. The conversion of 13-week bills will complete the transition of all regular Treasury bill issues to the total book-entry system.

A limited exception to the offering of Treasury bills only in book-entry form will be continued for those institutional investors required by law or regulation to hold securities in definitive form. Definitive bills in the \$100,000 denomination will be available to such investors for all issues through December 1978.

It is anticipated that the program will be extended to selected new offerings of other Treasury marketable securities during the latter part of 1978.

A revised tender form (*yellow*) for your use in maintaining such securities for yourself or your customers in book-entry accounts *at this Bank* will be mailed to you as soon as the Treasury announces the terms of the September 1 issue. The revised tender form will be a standard form, which can be used for that offering or for *any* subsequent offering of 13-week bills.

PAUL A. VOLCKER,
President.