

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 8258]
January 17, 1978

AMENDMENTS TO REGULATIONS H AND Y

Revision of Form For Registration of Securities Transfer Agents
and Extension of Filing Deadline

*To All State Member Banks, Bank Holding Companies, and Others Concerned,
in the Second Federal Reserve District:*

The Board of Governors of the Federal Reserve System has amended its Regulation H, "Membership of State Banks in the Federal Reserve System," and Regulation Y, "Bank Holding Companies," to provide for a revised Schedule B to Form TA-1, the form used for the registration of securities transfer agents. Related instructions to Form TA-1 also have been revised, and the deadline for filing Schedule B has been extended to April 3, 1978.

Printed on the following pages is an excerpt from the *Federal Register* of December 30, 1977, containing the text of an explanatory notice issued by the Board of Governors regarding this matter, together with a sample of the revised Schedule B to Form TA-1 and the text of the revised instructions relating to the schedule. In addition, enclosed are copies of the amendments, effective December 31, 1977, to Regulations H and Y.

Copies of the revised Schedule B with related instructions will be mailed to all registered transfer agents in this District by our Regulations Division after January 23, 1978. Requests for additional copies of the schedule and questions regarding this matter may be directed to that division (Tel. No. 212-791-5914).

PAUL A. VOLCKER,
President.

Title 12—Banks and Banking
CHAPTER II—FEDERAL RESERVE SYSTEM
SUBCHAPTER A—BOARD OF GOVERNORS OF
THE FEDERAL RESERVE SYSTEM

[Docket No. R-0136; Reg. H and Reg. Y]

PART 208—MEMBERSHIP OF STATE
BANKING INSTITUTIONS IN THE
FEDERAL RESERVE SYSTEM

PART 225—BANK HOLDING COMPANIES

Transfer Agents for Certain Registered
Securities

AGENCY: Board of Governors of the
Federal Reserve System.

ACTION: Final rule.

SUMMARY: The Board of Governors of the Federal Reserve System has adopted a revised Schedule B to Form TA-1 ("revised Schedule B"), the Form used for the registration of transfer agents. The Board has also amended instructions to Form TA-1, and adopted a temporary exemptive rule extending the filing deadline for the schedule from January 30, 1978, to April 3, 1978. Since the revisions do not add to or vary the information required by Schedule B, revised Schedule B and the amended instructions have been adopted without comment. Revised Schedule B should be used by transfer agents registered with the Board to report changes which occurred during calendar year 1977. Information that was filed on Schedule B in a previous year and which is still accurate need not be resubmitted on revised Schedule B.

EFFECTIVE DATE: December 31, 1977.

FOR FURTHER INFORMATION CON-
TACT:

Robert Wallgren, Chief, Trust Activities Program, Division of Banking Supervision and Regulation, Board of Governors of the Federal Reserve System, Washington, D.C. 20551, 202-452-2717.

SUPPLEMENTARY INFORMATION: Notice is hereby given that the Board of Governors of the Federal Reserve System (the "Board") pursuant to Sections 2, 17, 17A and 23(a) of the Securities Exchange Act of 1934, as amended, (the "Act") [15 U.S.C. 78b, 78q, 78q-1 and 78w(a)], has amended Title 12, Chapter II, Parts 208 and 225 of the Code of Federal Regulations to adopt §§ 208.8(f) (4) and 225.5(c) (4) and revise Schedule B to Form TA-1 and instructions thereto.

BACKGROUND INFORMATION

On October 17, 1975 and November 24, 1975, the Board announced respectively the adoption of § 208.8(f) and § 225.5(c)¹

¹ A substantially similar rule and an identical registration form was adopted concurrently by the Securities and Exchange Commission ("Commission"), the Office of the Comptroller of the Currency ("Comptroller"), and the Federal Deposit Insurance Corporation ("FDIC") (collectively, "other Federal Bank regulators") for transfer agents required to register with them.

and related Form TA-1 (with attached Schedules A and B), which provide that applications by state member banks and bank holding companies (and certain of their nonbank subsidiaries) respectively for registration as a transfer agent with the Board and amendments to such registration shall be filed on Form TA-1.

Applicants are required to list on Schedule B all securities registered under Section 12 of the Act or that would be required to be registered except for the exemption from registration provided by subsection (g) (2) (B) or (g) (2) (G) ("qualifying securities"),² for which they act in the capacity of transfer agent, co-transfer agent, registrar or co-registrar.³ Schedule B must be updated within thirty calendar days following the close of each calendar year during which the information has become inaccurate, misleading or incomplete.

NECESSITY FOR REVISION OF SCHEDULE B

Experience gained in processing Schedule B's during the past two years reveals that applicants and registrants encounter difficulty in correctly completing the Schedule. The frequency and extent of errors in completion of the Schedule make the processing of Schedule B administratively difficult and suggest that a revision of Schedule B would be advantageous to both the transfer agent community and the regulatory agencies. More specifically, numerous Schedule B's contained one or more of the following deficiencies:

(1) Schedule B requires, for each issue listed thereon, the issue's CUSIP number if one has been assigned to it.⁴ Nevertheless, schedules have often been filed with an incorrect CUSIP number, with a CUSIP number containing less than nine digits, or without any CUSIP number although one has been assigned to the issue.

(2) Many schedules listed issues serviced in a capacity, such as paying agent, that is not required by the schedule.

(3) Many schedules filed as an amendment do not indicate whether the issues listed are an addition to or a deletion from issues previously listed or in what capacity the issues are being serviced.

² At its option, the registrant may also list on Schedule B non-qualifying securities for which it performs transfer agent functions.

³ Section 3(a) (25) of the Act defines "transfer agent" to include persons performing functions more traditionally referred to as those of a transfer agent, registrar, record-keeper, exchange or conversion agent, or transfer agent depository. Instruction 21(a) to Form TA-1, therefore, has been revised to clarify the scope of the terms used in Schedule B. [See, *infra*, footnote 5].

⁴ CUSIP (Committee on Uniform Securities Industry Procedures) is the trademark for a numeric system that identifies the issuer of a security and the specific security. The CUSIP number consists of nine characters: a base number of six digits known as the "issuer number" and a two-character suffix (either numeric or alphabetic or both) known as the "issue number". The ninth character is a check digit. All nine digits are required to be set forth in Schedule B.

Additionally, in order to amend Schedule B to reflect a change in capacity or a change in an issuer's name, Schedule B required a registrant to make two entries: one, to delete the old information; and another, to report the new information.

REVISED SCHEDULE B

Schedule B has been revised to eliminate these errors, or at least to reduce their frequency, thereby simplifying the registrant's reporting obligations and lessening the regulatory agencies' processing expense.

Revised Schedule B provides a partitioned CUSIP number box to insure that the complete nine digit CUSIP number is used for issues that have a CUSIP number, and a box to be checked if the issue does not have a CUSIP number. Henceforth, Schedule B's submitted with an incomplete CUSIP number, or incorrectly indicating that no CUSIP number has been assigned to the issue, will be rejected and returned to the registrant to be completed correctly.

Instruction 21 to Form TA-1 has been revised to define for purposes of Schedule B the terms "transfer agent," "co-transfer agent," "registrar" and "co-registrar"⁵ and to state explicitly that only issues serviced in those reportable capacities may be listed on Schedule B.

Revised Schedule B is divided into three sections according to whether the issue being listed is an addition, a deletion, or a change in capacity or name. As a result, the need for placing a check to indicate whether a change is an addition to or deletion from previously reported information, and the necessity for making one entry to delete and another to add information when showing a change in capacity or issuer name have been eliminated.

Thus, "Section for initial registration and for amendments adding issues serviced" shall be used both to list issues that will be serviced at the time of initial registration and to list issues for which a registrant subsequently began performing transfer agent functions during the preceding calendar year. "Section for amendments deleting issues no longer serviced" shall be used to list issues for which a registrant has ceased performing all transfer agent functions during the preceding calendar year. "Section for amendments changing the capacity in which issues are serviced or

⁵ Revised Instruction 21(a) provides that, for purposes of Schedule B, the terms "transfer agent" and "co-transfer agent" shall include the person countersigning securities upon issuance, registering the transfer of securities, exchanging or converting securities, or transferring record ownership of securities by bookkeeping entry without physical issuance of securities certificates. The terms also shall include the person performing similar functions with respect to debt securities. The terms "registrar" and "co-registrar" shall include the person monitoring the issuance of securities with a view to preventing unauthorized issuance and the persons performing similar functions with respect to debt securities.

the name of the issuer" shall be used to list all of the reportable capacities in which a registrant acted for an issue as of December 31 of the preceding calendar year where the registrant changed during that year the capacity(ies) in which it serviced an issue listed on a previously filed Schedule B. Also, when during the preceding calendar year, the name of the issuer listed on a previously filed Schedule B changed, each of that issuer's issues serviced by the transfer agent must be amended by listing them under the new name in the "changes in capacity or name" section.

Revised Instruction 20 to Form TA-1 provides that when a registrant requires more space than is provided in any one section, there are two ways the additional issues can be listed. First, a registrant may use additional copies of Schedule B. Second, a registrant may begin a list in one section of Schedule B and continue the list on separate sheets, such as a computer printout. Each sheet must identify the section being continued, must use the format called for by Schedule B, and must contain only those issues belonging in a single section.

TEMPORARY EXEMPTIVE RULES (§§ 208.8(f)(4) AND 225.5(c)(4))

Section 208.8(f)(2) and section 225.5

(c)(2) require transfer agents registered with the Board to file a Schedule B within thirty days of each calendar year in which the information contained therein becomes inaccurate, misleading or incomplete. A one-time extension of the filing date to April 3, 1978, is being granted to provide such registrants sufficient time to accommodate their data processing systems to the new format. Section 208.8(f)(4) and 225.5(c)(4) will provide for this extension.

COORDINATION WITH THE COMMISSION AND OTHER FEDERAL BANK REGULATORS

The Board has conferred with the Commission and the other Federal bank regulators, who are adopting concurrently a similar rule and identical form.

STATUTORY BASIS, COMPETITIVE CONSIDERATIONS AND EFFECTIVE DATE

This revision to Schedule B of Form TA-1, the instructions thereto, and sections 208.8(f)(4) and 225.5(c)(4) are adopted pursuant to the Securities Exchange Act of 1934, particularly, Sections 2, 17, 17A and 23(a) thereof, 15 U.S.C. 78b, 78q, 78q-1 and 78w(a). The Board finds that the adopted revision to Schedule B of Form TA-1 with related instructions thereto (1) is a change of format only and does not require that

additional information be furnished, (ii) will simplify the filing of amendments by registrants reporting changes in capacities serviced or issuer name and (iii) will avoid delays in processing and rejections of Schedule B's by the Board necessitated by errors commonly made on old Schedule B. The temporary exemptive rule merely exempts until April 3, 1978 transfer agents registered with the Board from the filing deadline for Schedule B's relating to calendar year 1977. Accordingly, the Board finds that notice and public procedure under the Administrative Procedure Act [5 U.S.C. § 553(b)(B)] in this matter is impracticable, unnecessary, and contrary to the public interest, and that good cause exists for making the revisions effective December 31, 1977, which is less than thirty days after the date of publication, in accordance with the Administrative Procedure Act [5 U.S.C. § 553(d)].

The Board also finds that any burden on competition which these revisions impose is necessary and appropriate in the public interest, for the protection of investors and to facilitate the establishment of a national system for the prompt and accurate clearance and settlement of transactions in securities.

Revised Schedule B and Related Instructions to Form TA-1

INSTRUCTION 20

Schedule B shall be amended by filing six copies, each attached to a properly completed and manually signed execution page, showing all corrections to the previously filed Schedule B. In the event that a registrant requires more space than is provided in any one section of the Schedule, registrant may either use additional copies of Schedule B or begin a list in one section of Schedule B and continue the list on separate sheets. Each additional sheet must identify the particular section being continued, must use the format called for by Schedule B, and must contain only those issues belonging in that section. Six copies of a facsimile of a computer printout providing the information required by Schedule B may be filed in place of Schedule B, provided the facsimile is in the format of Schedule B, the type size is legible and the facsimile is reduced to 8½" x 1" in size.

INSTRUCTION 21(a)

For purposes of Schedule B, the terms "transfer agent" and "co-transfer agent" shall include the person countersigning securities upon issuance, registering the transfer of securities, exchanging or converting securities, or transferring record ownership of securities by bookkeeping entry without physical issuance of securities certificates. The terms also shall include the persons performing similar functions with respect to debt securities. The terms "registrar" and "co-registrar" shall include the person monitoring the issuance of securities with a view to preventing unauthorized issuance and the person performing similar functions with respect to debt securities. If a registrant does NOT act in one of these capacities for an issue, the issue must NOT be listed on Schedule B. The distinction between "transfer agent" and "co-transfer agent" or "registrar" and "co-registrar" shall be in accordance with the generally accepted meaning in the industry. See Item 7(a) of Form TA-1.

INSTRUCTION 21(b)

"Section for initial registration and for amendments adding issues serviced" shall be used both at the time of registration to list issues for which transfer agent functions will be performed and also to amend Schedule B to list issues which, subsequent to registration, are required to be reported on Schedule B. "Section for amendments deleting issues no longer serviced" shall be used to amend Schedule B to list issues previously reported on Schedule B for which registrant has ceased performing all transfer agent functions. "Section for amendments changing the capacity in which issues are serviced or the name of the issuer" shall be used to amend Schedule B to list all of the capacities in which registrant acted for an issue as of December 31 where during a calendar year registrant changed the capacity(ies) in which it acted for an issue listed on a previously filed Schedule B. This section shall also be used to list issuers, listed on a previously filed Schedule B, for which there has been a change of name during a calendar year. When the name of the issuer has changed, all issues of that issuer which are serviced by the transfer agent must be listed in this section.

COPIES OF SCHEDULE B

Copies of Schedule B of Form TA-1 with the revised instructions may be obtained from the Trust Activities Program, Board of Governors of the Federal Reserve System, Washington, D.C. 20551 and at each of the Federal Reserve Banks. Copies of Schedule B with revised instructions will be available on or about the week of January 23, 1978.

By order of the Board of Governors, effective December 19, 1977.

THEODORE E. ALLISON,
Secretary.

SCHEDULE B OF FORM TA-1

See Instructions 19, 20 and 21
before completing this Schedule.

This Form is: A Registration
An Amendment

CUSIP Number

If issue has no assigned CUSIP
Number, check column A; if
it has one assigned, provide
complete 9 digit number in
column B.

CHECK THE
APPROPRIATE
COLUMN(S) to
indicate ALL
Capacities in
which Registrant
acts for issue

Transfer
Agent
Co-Transfer
Agent
Registrar
Co-
Registrar

Official Form 02-77

Full name of Registrant exactly as stated in item 2(a) of Form TA-1:

Name of Issuer	Issue (Type of security and class or series)	Column A	Column B	Transfer Agent	Co-Transfer Agent	Registrar	Co- Registrar
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Section for initial registration and for amendments adding issues serviced:

Name of Issuer	Issue (Type of security and class or series)	Column A	Column B	Transfer Agent	Co-Transfer Agent	Registrar	Co- Registrar

Section for amendments deleting issues no longer serviced:

Name of Issuer	Issue (Type of security and class or series)	Column A	Column B	Transfer Agent	Co-Transfer Agent	Registrar	Co- Registrar

Not
Applicable

Section for amendments changing the capacity in which issues are serviced or the name of the issuer:

Name of Issuer	Issue (Type of security and class or series)	Column A	Column B	Transfer Agent	Co-Transfer Agent	Registrar	Co- Registrar

Board of Governors of the Federal Reserve System

MEMBERSHIP OF STATE BANKING INSTITUTIONS
IN THE FEDERAL RESERVE SYSTEM

AMENDMENT TO REGULATION H

Effective December 31, 1977, section 208.8 is amended by adding a new subparagraph (4) to paragraph (f) as follows:

SECTION 208.8—BANKING PRACTICES

* * *

(f) State member banks as transfer agents.

* * *

(4) Every State member bank or any of its subsidiaries that is registered with the Board as a transfer agent is exempted until April 3, 1978, from that part of the provision of Section 208.8(f)(2) that states that "[w]ithin thirty calendar days following the close of any calendar year . . . during which the information required by Item 7 of Form TA-1 becomes inaccurate, misleading, or incomplete, the bank or its subsidiary shall file an amendment to Form TA-1 correcting the inaccurate, misleading or incomplete information."

For this Regulation to be complete, retain:

- 1) Regulation H pamphlet, as amended effective March 18, 1969.
- 2) Amendments effective December 21, 1973; March 2, 1974; September 16, 1974; September 22, 1974; December 1, 1975; February 26, 1976; April 13, 1977; October 3, 1977; and October 31, 1977.
- 3) This slip sheet.

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Board of Governors of the Federal Reserve System

BANK HOLDING COMPANIES

AMENDMENT TO REGULATION Y

Effective December 31, 1977, section 225.5 is amended by adding a new subparagraph (4) to paragraph (c) as follows:

SECTION 225.5—ADMINISTRATION

* * *

(c) Registration of certain bank holding companies and their nonbank subsidiaries as transfer agents.

* * *

(4) Every bank holding company and nonbank subsidiary of a bank holding company that is registered with the Board as a transfer agent is exempted until April 3, 1978, from that part of the provision of Section 225.5(c)(2) that states that "[w]ithin thirty calendar days following the close of any calendar year . . . during which the information required by Item 7 of Form TA-1 becomes inaccurate, misleading or incomplete, the bank holding company or its nonbank subsidiary shall file an amendment to Form TA-1 correcting the inaccurate, misleading or incomplete information."

For this Regulation to be complete, retain:

- 1) Regulation Y pamphlet, as amended effective June 24, 1974.
- 2) Corrective amendments effective June 24, 1974.
- 3) Amendments effective December 1, 1975; May 15, 1976; October 13, 1976; and October 3, 1977.
- 4) This slip sheet.

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