To all Banks and Trust Companies in the
Second Federal Reserve District:

The designation of Mr. J. H. Case, by the Board of Governors of the Federal Reserve System, as Chairman of the Board and Federal Reserve Agent at the Federal Reserve Bank of New York, expired at the close of business today, April 30, 1936.

Effective as of the same date, Mr. Case has resigned as a Class C Director of the Federal Reserve Bank of New York, to which office he was last appointed for the three year term ending December 31, 1937, in order that he may become a general partner in the firm of R. W. Pressprich & Co., New York.

George L. Harrison,
President.
AMENDMENT TO FEDERAL INCOME TAX REGULATIONS

To State Member Banks in the Second Federal Reserve District:

Pursuant to the suggestion of the Board of Governors of the Federal Reserve System, there is enclosed a copy of T. D. 4633, approved April 3, 1936, amending the last paragraph of article 23(k)-1 of Regulations 86 issued under the Revenue Act of 1934 and the last paragraph of article 191 of Regulations 77 issued under the Revenue Act of 1932, relating to the deductibility, in computing net income for the purpose of Federal income tax, of debts charged off in whole or in part during the taxable year in obedience to the specific orders of supervisory authorities.

J. H. CASE,
Federal Reserve Agent.
TO COLLECTORS OF INTERNAL REVENUE
AND OTHERS CONCERNED:

The last paragraph of article 23(k)-1 of Regulations 86 and the last paragraph of article 191 of Regulations 77 are amended to read:

"Where banks or other corporations which are subject to supervision by Federal authorities (or by State authorities maintaining substantially equivalent standards) in obedience to the specific orders of such supervisory officers charge off debts in whole or in part, such debts shall be conclusively presumed, for income tax purposes, to be worthless or recoverable only in part, as the case may be, but in order that any amount of the charge-off may be allowed as a deduction for any taxable year it must be shown that the charge-off took place within such taxable year."

This document is issued under the authority prescribed by section 62 of the Revenue Act of 1934, and section 62 of the Revenue Act of 1932.

GUY T. HELVERING,
Commissioner of Internal Revenue.

Approved: April 3, 1936.

WAYNE C. TAYLOR,
Acting Secretary of the Treasury.