

FEDERAL RESERVE BANK
OF NEW YORK

Circular No. 2216, May 26, 1941
[Reference to Circulars Nos. 2129, 2131, 2132, 2144, 2171,
2182, 2183, 2185, 2187, 2188, 2194, 2195, 2207 and 2208.]

Executive Order No. 8389, April 10, 1940, as Amended, and Regulations
Issued Pursuant Thereto, Relating to Transactions
in Foreign Exchange, Etc.

To all Banking Institutions, and Others Concerned,
in the Second Federal Reserve District:

For your information we quote below the text of General Ruling No. 4 issued May 24, 1941, by the Secretary of the Treasury pursuant to Executive Order No. 8389 of April 10, 1940, as amended, and the Regulations issued thereunder.

TREASURY DEPARTMENT
Office of the Secretary
May 24, 1941

GENERAL RULING NO. 4, AS AMENDED, UNDER EXECUTIVE ORDER NO. 8389, AS
AMENDED, AND REGULATIONS ISSUED PURSUANT THERETO, RELATING TO TRANS-
ACTIONS IN FOREIGN EXCHANGE, ETC.

General Ruling No. 4 is amended to read as follows:

Except as specifically provided herein or otherwise, all definitions appearing in Executive Order No. 6560 of January 15, 1934, as amended by Executive Order No. 8389 of April 10, 1940, as amended, and the Regulations issued thereunder, shall apply to the terms employed in all rulings, licenses, instructions, etc., and, in addition, the following definitions and rules of interpretation are prescribed:

- (1) The term "Order" shall mean Executive Order No. 8389, as amended.
- (2) The term "license" shall mean a license issued under the Order.
- (3) The term "interest" when used with respect to property shall mean an interest of any nature whatsoever, direct or indirect.
- (4) The term "blocked country" shall mean any foreign country designated in the Order.
- (5) The term "Netherlands East Indies" shall mean the following: Java and Madura, Sumatra, Riouw-Lingga archipelago, Banka, Billiton, Celebes, Borneo (West, South and East Divisions), Timor archipelago, Bali and Lombok, Lesser Sunda Islands and Dutch New Guinea.
- (6) The term "Netherlands West Indies" shall mean the following: Dutch Guiana, Dutch St. Martin, Curacao, Bonaire, Aruba, St. Eustatius and Saba.
- (7) Any person licensed as a "generally licensed national" shall, while so licensed, be regarded as a person within the United States who is not a national of any blocked country; *provided, however*, that the licensing of any person as a "generally licensed national" shall not be deemed to suspend in any way the requirements of the Order and

Regulations relating to reports, and the production of books, documents, records, etc. (see sections 10 and 14 of the Order and section 130.4 of the Regulations).

(8) The term "blocked account" shall mean an account in which any blocked country or national thereof has an interest, with respect to which account payments, transfers or withdrawals or other dealings may not be made or effected except pursuant to a license authorizing such action. The term "blocked account" shall not be deemed to include free dollar accounts of the type referred to in General License No. 32, as amended, or the accounts of generally licensed nationals.

(9) The term "banking institution" shall have the meaning prescribed in Section 11D of the Order.

(10) The term "domestic bank" shall mean any branch or office within the United States of any of the following which is not a national of any blocked country: any bank or trust company incorporated under the banking laws of the United States or of any state, territory, or district of the United States, or any private bank or banker subject to supervision and examination under the banking laws of the United States or of any state, territory or district of the United States. The Treasury Department may also authorize any other banking institution to be treated as a "domestic bank" for the purpose of this definition or for the purpose of any license, ruling, or instruction.

(11) The term "national securities exchange" shall mean an exchange registered as a national securities exchange under section 6 of the Securities Exchange Act of 1934 (48 Stat. 885, U.S.C., title 15, sec. 78f).

(12) Reference to any general license or general ruling which has been amended shall be deemed to refer to such license or ruling as amended.

(13) Any person who by virtue of any definition in the Order is a national of more than one blocked country shall be deemed to be a national of each of such blocked countries.

(14) In any case in which a person is a national of two or more blocked countries, a license with respect to nationals of one of such blocked countries shall not be deemed to include such person unless a license of equal or greater scope is outstanding with respect to nationals of each other blocked country of which such person is a national.

(15) The Secretary of the Treasury reserves the right to exclude from the operation of any license or from the privileges therein conferred or to restrict the applicability thereof with respect to, particular persons, transactions or property or classes thereof. Such action shall be binding upon all persons receiving actual notice thereof, or constructive notice if in any case notice is filed pursuant to the provisions of the Federal Register Act (49 Stat. 500, as amended by 50 Stat. 304; U.S.C., Sup. V, title 44, sec. 301 *et seq.*).

(16) No license shall be deemed to authorize any transaction prohibited by reason of the provisions of any law, proclamation, order or regulation, other than the Order and Regulations.

D. W. BELL

Acting Secretary of the Treasury.

Additional copies of this circular will be furnished upon request.

ALLAN SPROUL,
President.