FEDERAL RESERVE BANK
OF NEW YORK

[ Circular No. 33531
July 22, 1948 ]

PAPER CURRENCY AND COIN

Revision of Operating Circular No. 3

To all Member and Nonmember Banks
in the Second Federal Reserve District:

We have not heretofore assumed any risk of loss incident to the shipment of paper currency and coin by us or to us by express, while the shipment was not in our custody. As set forth in our Operating Circular No. 3, dated December 8, 1947, we do, however, assume the ordinary risks of loss incident to shipments of paper currency by registered mail (except shipments to nonmember banks), from the time such shipments leave the sending bank until delivered at the office of the addressee bank. To provide somewhat more comparable treatment of the two methods of shipment, we are extending our assumption of risk, effective July 22, 1948, to include the so-called "terminal risks" on express shipments, i.e., the ordinary risks of loss arising from the time such a shipment to us leaves the office of the sending bank until it is delivered into the custody of the express company, as well as those arising from the time a shipment from us to a member bank is delivered to the addressee by the express company (at any place other than the office of the addressee) until it reaches the office of the addressee.

This change in our assumption of risk has necessitated the revision of paragraphs 27 through 33 of our Operating Circular No. 3; and we are now enclosing a copy of the revised circular, the terms of which will apply to all shipments made in accordance with its provisions on and after July 22, 1948.

Additional copies of the revised operating circular will be furnished upon request.

ALLAN SPROUL,
President.