

**FEDERAL RESERVE BANK
OF NEW YORK**

Fiscal Agent of the United States

[Circular No. 5679]
July 23, 1965]

**TRANSACTIONS IN U. S. SECURITIES
OTHER THAN SAVINGS BONDS**

Revision of Operating Circular No. 17

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

Enclosed is a copy of our Operating Circular No. 17, Revised July 23, 1965, on transactions in U. S. securities other than savings bonds. In addition to editorial changes, the revised operating circular incorporates the outstanding supplement to the superseded circular and contains the following changes of substance:

In paragraph 2, changes have been made in the form numbers of certain of this Bank's forms that are to be used to facilitate transactions in U. S. securities.

Paragraph 10 provides that, in addition to telegraphic transfers previously authorized, we will transfer securities borrowed by a primary dealer in U. S. Government securities if the delivery or redelivery of such securities in the city to which the transfer is to be made is necessary to consummate the transaction.

The Appendix, Revised January 20, 1965, to Operating Circular No. 17, on redemption of Treasury bonds to pay Federal estate taxes, is the latest that has been issued and should not be discarded with the superseded edition of Operating Circular No. 17.

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

ALFRED HAYES,
President.

**FEDERAL RESERVE BANK
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Fiscal Agent of the United States

[Operating Circular No. 17]
[Revised July 23, 1965]

**TRANSACTIONS IN U. S. SECURITIES
OTHER THAN SAVINGS BONDS**

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

This circular contains information and instructions relating to transactions with this Bank, as fiscal agent of the United States, involving U. S. securities other than savings bonds. Questions concerning transactions that do not appear to be covered by this circular or by Treasury Department Circular No. 300 (current revision) should be referred to this Bank before action is taken.

The Appendix to this circular, entitled "Redemption of Treasury Bonds to Pay Federal Estate Taxes," lists the series of Treasury bonds redeemable at par to pay Federal estate taxes, and indicates the procedure to be followed in submitting those bonds to this Bank for that purpose.

TREASURY DEPARTMENT CIRCULAR NO. 300

1. The general regulations of the Treasury Department governing U. S. securities are contained in Treasury Department Circular No. 300, copies of which will be furnished by this Bank upon request. Information on such transactions as transfers, exchanges, reissues, and redemption is set forth in detail in that circular.

2. This Bank, as fiscal agent of the United States, is authorized to handle transactions in U. S. securities in accordance with Treasury Department Circular No. 300, and has prepared the following forms to facilitate the handling at this Bank of certain of the transactions indicated in that circular; these forms should be used in lieu of the corresponding Treasury forms specified in the circular, as indicated below:

	<i>This Bank's form</i>	<i>Treasury's form</i>
Transfer of Registered Securities	GB 595	PD 1644
Exchange of Registered for Bearer Securities	GB 595	PD 1643
Exchange of Bearer for Registered Securities	GB 595	PD 1642
Denominational Exchange of Bearer Securities	GB 35	PD 1827
Redemption of Registered or Inscribed Securities	GB 596	PD 1705
Redemption of Bearer Securities	GB 311	PD 1704

ESTATE OF DECEASED RESIDENT OF NEW YORK STATE

3. U. S. securities owned by a decedent at the time of death submitted through this Bank for exchange, transfer, reissue, or redemption should be accompanied by a waiver and consent from the New York State Department of Taxation and Finance if the owner died a resident of the State of New York and the face amount of the securities submitted, plus accrued interest, if any, exceeds \$2,000.

TRANSPORTATION CHARGES AND RISKS

Shipments from this Bank

4. Shipments from this Bank of U. S. securities on original issue will be made by registered mail at the risk and expense of the United States.

5. Shipments from this Bank of *bearer* U. S. securities on other than original issue will be made by registered mail and insured under our registered mail insurance policies, at the risk and expense of the owner, unless we receive written instructions to the contrary.

6. Shipments from this Bank of *registered* U. S. securities on other than original issue will be made by registered mail without expense to, but at the risk of, the owner. Such shipments will not be insured, unless we receive written instructions to arrange for insurance.

Shipments to this Bank

7. Shipments to this Bank of U. S. securities for exchange, transfer, redemption, or other authorized transaction must be made at the risk and expense of the owner. Persons shipping registered securities assigned in blank, or assigned for exchange for bearer securities without restriction on the delivery of such bearer securities, should remember that such securities are in effect payable to bearer and should be treated accordingly.

Insurance coverage

8. This Bank holds certain open policies for registered mail insurance under which shipments of securities that are not made at the risk and expense of the United States may be insured at the expense of the bank requesting the shipment by us or to us. The coverage afforded by these policies and the procedure for effecting insurance under them are set forth in our Operating Circular No. 14, sent to all member and nonmember banks in this District.

9. Under the provisions of Treasury Department Circular No. 853, copies of which will be furnished upon request, banks may effect some savings in insurance costs when shipping U. S. securities to the Head Office or Buffalo Branch of this Bank. To be eligible for shipment under Circular No. 853, the securities must have been issued payable to bearer; they must be owned by the shipping bank or its customers; the securities must be restrictively endorsed; and the shipment must be made within one calendar month prior to the date of payment, redemption, or optional exchange. Shipments made in accordance

with Treasury Department Circular No. 853 are covered by the Government Losses in Shipment Act, as amended.

TELEGRAPHIC TRANSFERS OF SECURITIES

Transfers authorized

10. The Federal Reserve Banks, as fiscal agents of the United States, will transfer outstanding, unmatured, marketable, bearer securities of the United States (Treasury bonds, Treasury notes, Treasury certificates of indebtedness, and Treasury bills), for account of the owners, by wire between the cities specified in paragraph 11; provided the securities equal or exceed \$5,000 in total face amount, and—

(a) The transfer is in connection with a sale of securities and delivery in the city to which the transfer is to be made is necessary to consummate the sale, or

(b) The securities have been borrowed by a primary dealer in such securities and delivery or redelivery in the city to which the transfer is to be made is necessary to consummate the transaction.

In addition, when a subscription or tender is entered with this Bank in connection with any public offering of marketable U. S. securities and payment in full has been made to us for the securities allotted against the subscription or tender, securities in bearer form so allotted will be transferred in any amount, upon request of the owner, between any of the cities specified in paragraph 11, for his account. Outstanding, unmatured, marketable, bearer securities that have been pledged on original issue as collateral for a Treasury Tax and Loan Account may also be transferred by wire in any amount at the time of withdrawal from pledge if the transfer is required in connection with the delivery of the securities to the owner or his agent in one of the cities specified. Transfers for any other reason, such as transfers for the convenience of owners or transfers of securities as collateral, are not authorized. Wire transfers are provided for owners of securities as a privilege and not as a right. All transfers are conditioned on the existence of adequate facilities of the Federal Reserve Banks, without responsibility on their part for delays in effecting deliveries for any reason whatever.

Cities between which transfers may be made

11. Any of the securities specified in paragraph 10 may be transferred against payment or receipt between any of the following cities: Boston, New York, Philadelphia, Cleveland, Cincinnati, Pittsburgh, Richmond, Baltimore, Charlotte, Atlanta, Birmingham, Jacksonville, Nashville, New Orleans, Chicago, Detroit, St. Louis, Little Rock, Louisville, Memphis, Minneapolis, Kansas City, Denver, Oklahoma City, Omaha, Dallas, El Paso, Houston, San Antonio, San Francisco, Los Angeles, Portland, Salt Lake City, and Seattle. Transfer of any of such securities may be made between any of the cities mentioned and Washington, D. C., but such transfers may be made only against receipt. Such securities may also be transferred from the city of Buffalo to New York City or to any of the other cities named above.

Transfers from New York or Buffalo

12. Securities presented to our Head Office or Buffalo Branch for transfer by wire should be accompanied by a signed request for the transfer on our Form GB 435. If securities are presented to our Head Office for transfer to more than one Federal Reserve Bank or Branch or if the amount presented exceeds the amount to be transferred, they should be accompanied by our Form GB 573B. Copies of these forms will be furnished upon request. Securities for transfer should be presented with matured coupons detached and unmatured coupons attached. If any unmatured coupons are missing, available funds in the amount of the missing coupons will be acceptable in their place.

Closing hours for receipt of securities

13. Securities for telegraphic transfer from New York or Buffalo must be received by our Head Office or Branch on or before the closing hours indicated below. Transfers against immediate payment, as provided for below, will be made only when we have received previous instructions from another Reserve Bank or Branch to wire the securities and make payment.

	<i>Against payment</i>	<i>Against receipt</i>	<i>Against immediate payment</i>
Business day preceding an interest payment date	12 noon	12 noon	2 p.m.
Every other business day . . .	1 p.m.*	2 p.m.*	3 p.m.

* 3 p.m. from New York City to San Francisco, Los Angeles, Portland, Salt Lake City, and Seattle.

Transfers to New York

14. Securities transferred to New York by wire will be delivered to the transferee at our window. However, securities transferred to us by wire for account of a member bank for which we will hold securities in safekeeping (as specified in Operating Circular No. 14) will be delivered to the safekeeping account of the member bank with us, when we are so requested.

Limitations

15. Transfers are not authorized—

- (a) On or after the date of maturity of the particular issue; or
- (b) In the case of bonds or notes that have been called for redemption, on or after the "call redemption date" (the date on which such bonds or notes are redeemable and on which they will cease to bear interest as specified in the notice of call for redemption).

16. Whenever a Federal Reserve Bank or Branch located in the city in which securities are to be delivered in accordance with a transfer by wire is unable to deliver the securities before the close of business on a day that is, for that Bank or Branch, either

- (a) The last business day of a calendar month, or
- (b) The last business day preceding an interest payment date for the securities involved,

the securities will not be delivered until new instructions are received from the transferor; whenever such a Federal Reserve Bank or Branch is unable to deliver the securities before the close of business on a day that is, for that Bank or Branch, the last business day preceding either the date of maturity or the "call redemption date" for the securities involved, the transfer will be canceled.

Fees

17. A fee of \$5 will be charged for each transfer by wire of securities of any one series to be delivered to a single recipient, except that no fee will be charged for a transfer of—

(a) Securities allotted on original issue, as set forth in paragraph 10, or

(b) Securities withdrawn from pledge on original issue as collateral for a Treasury Tax and Loan Account, as set forth in paragraph 10.

Securities of two or more different series may not be combined in a single transfer, nor may securities to be delivered to two or more recipients be combined in a single transfer.

Payment of fees

18. Fees for transfers, as provided in paragraph 17, are to be paid to the Federal Reserve Bank at which securities are presented for transfer by wire. No fees will be collected by the Federal Reserve Bank to which securities are transferred. Fees should be paid, at the time securities are presented to this Bank for transfer, by check payable to the order of "Federal Reserve Bank of New York, Fiscal Agent of the United States." A member bank or nonmember clearing bank may pay the fees by presenting, in lieu of a check, a proper authorization to charge the amount thereof to its account on our books.

LOST, STOLEN, DESTROYED, OR MUTILATED SECURITIES

19. Relief on account of the loss, theft, destruction, mutilation, or defacement of U. S. securities may be given under the authority of, and subject to the conditions contained in, the Government Losses in Shipment Act, as amended. The procedure for obtaining such relief, and the cases in which it is available, are set forth in Treasury Department Circular No. 300, copies of which will be furnished upon request.

GENERAL

Revision of this circular

20. The right is reserved to withdraw, add to, or amend at any time any of the provisions of this circular.

Effect of this circular on previous circular

21. This circular supersedes our Operating Circular No. 17, Revised February 9, 1962, and the First Supplement thereto, dated June 22, 1965.

ALFRED HAYES,
President.