

FEDERAL RESERVE BANK
OF NEW YORK

Fiscal Agent of the United States

[Circular No. 6455]
[December 19, 1969]

REPORTS OF TRANSACTIONS IN FOREIGN EXCHANGE,
TRANSFERS OF CREDIT, AND EXPORT
OF COIN AND CURRENCY

Revision of Operating Circular No. 19

*To All Bankers and Banking Institutions, Brokers and Dealers,
and Others Concerned, in the Second Federal Reserve District,
Puerto Rico, the Virgin Islands, and the Panama Canal Zone:*

Enclosed is a copy of Operating Circular No. 19, Revised effective December 31, 1969. The revised circular, in addition to incorporating the outstanding supplement to the superseded edition of the circular, reflects the following major changes:

(a) A change in the designation of the monthly report form used to report "short-term" liquid claims on "foreigners," from "Supplement to Foreign Exchange Form C-1/2" to "Foreign Exchange Form C-3";

(b) A requirement for filing, as of September 30 of each year, a new annual report form, "Foreign Exchange Form C-4," for "short-term" liquid claims on "foreigners" in countries not listed separately on Form C-3; and

(c) A change in the exemption requirements for Forms C-1/2 and C-3, providing that the criteria specified in subparagraphs 9(f) and 9(g) of the operating circular may be applied separately to each domestic branch and subsidiary of the reporter.

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

ALFRED HAYES,
President.

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[**Operating Circular No. 19**
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**REPORTS OF TRANSACTIONS IN FOREIGN EXCHANGE,
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*To All Bankers and Banking Institutions, Brokers and Dealers,
and Others Concerned, in the Second Federal Reserve District,
Puerto Rico, the Virgin Islands, and the Panama Canal Zone:*

This circular contains information on the reports required to be filed with this Bank by persons within the Second Federal Reserve District, Puerto Rico, the Virgin Islands, and the Panama Canal Zone¹ pursuant to the provisions of Executive Order No. 6560, Executive Order No. 10033, and the regulations of the Secretary of the Treasury issued thereunder.

Executive Order No. 6560

1. Executive Order No. 6560, dated January 15, 1934, prohibits, unless licensed or excepted as provided therein, transactions in foreign exchange, transfers of credit, and the export or withdrawal from the United States of coin and currency. Section 5 of the Order authorizes the Secretary of the Treasury to prescribe regulations to carry out the purposes of the Order, and to require any person engaged in any such transaction, transfer, export, or withdrawal, to furnish complete information relative thereto. The text of the Order is published in the Code of Federal Regulations, Volume 31, Part 127.

Executive Order No. 10033 and determinations thereunder

2. Executive Order No. 10033, dated February 8, 1949, among other things, authorizes (a) the National Advisory Council on International Monetary and Financial Problems² to determine what information is essential in order that the United States Government may comply with requests for data received from the International

¹ In a letter dated February 1, 1954, the Acting Secretary of the Treasury authorized this Bank "to serve as fiscal agent of the United States for the collection of any and all reports required under the Treasury Regulations of April 27, 1949, as amended, from persons in Puerto Rico, the Virgin Islands, and the Panama Canal Zone."

² Name changed, effective January 1, 1966, to "National Advisory Council on International Monetary and Financial Policies."

Monetary Fund, and (b) the Director of the Bureau of the Budget to determine what Federal executive agency shall collect such information. The text of the Order is published in the Code of Federal Regulations (3 CFR 1949-1953 Comp., p. 226).

3. The National Advisory Council, on September 7, 1965, made the following determination pursuant to Executive Order No. 10033:

The National Advisory Council, having consulted with the Director of the Bureau of the Budget, determines that current information with respect to international capital movements, derived from data on United States liabilities to and claims on foreigners and transactions in securities with foreigners, and current information with respect to United States gold holdings, foreign-currency holdings, and dollar liabilities to foreigners, are essential in order that the United States may comply with official requests of the International Monetary Fund for information with respect to the United States balance of payments and monetary reserves.

4. In a determination dated December 1, 1965, the Director of the Bureau of the Budget, pursuant to Executive Order No. 10033, designated the Treasury Department as the Federal executive agency to collect the information found essential by the National Advisory Council (except information relative to direct-investment transactions, United States Government foreign lending operations, and claims and liabilities of United States Government agencies, which information is collected by the Department of Commerce).

Regulations of the Secretary of the Treasury

5. The regulations of the Secretary of the Treasury issued pursuant to the above-mentioned Executive orders and determinations are printed in full beginning on page 6 of this circular. To summarize, the regulations:

(a) grant a general license authorizing the transactions prohibited by Executive Order No. 6560;

(b) require every person subject to the jurisdiction of the United States engaging in any transaction, transfer, export or withdrawal referred to in Section 1 of that Order to furnish to the Federal Reserve Bank of the District in which such person has his principal place of business, or, if such person has no principal place of business in a Federal Reserve District, to the Treasury Department or to such agency as that Department may designate,

(i) complete information relative thereto, including information relative to claims and liabilities arising therefrom, and,

(ii) for the purpose of Executive Order No. 10033, the information determined to be essential by the National Advisory Council in order to comply with official requests for data made by the International Monetary Fund,

to such extent and in such manner and at such intervals as is required by report forms and instructions prescribed by the Secretary of the Treasury; and

(c) describe the report forms prescribed by the Secretary for furnishing the information called for by the regulations, specify the persons required to make such reports and the frequency with which such reports are required to be made (paragraph 9 of this circular sets forth certain exemptions from the reporting requirements), and permit the use of alternative methods of reporting on media that can be processed by data-processing equipment with the written approval of the Federal Reserve Bank with which the report is filed.

When completed reports should be filed with this Bank

6. The completed reports required to be filed with this Bank should be filed within the following periods:

(a) *Monthly reports on Forms B-1, B-2, and B-3*: Not later than the 15th day following the end of the month covered by the reports.

(b) *Monthly reports on Preliminary Summary Form B-1*: Not later than the 10th day following the last day of the month.

(c) *Quarterly reports on Forms B-1 and B-2*: Not later than the 15th day following the end of each calendar quarter (March, June, September, and December).

(d) *Twice-yearly reports on Supplement to Form B-1*: Not later than one month following the report dates (April 30 and December 31).

(e) *Quarterly reports on Form C-1/2*: Not later than one month following the end of each calendar quarter (March, June, September, and December).

(f) *Monthly reports on Form C-3*: Not later than the 30th day following the end of the month covered by the report.

(g) *Annual reports on Form C-4*: Not later than one month following the report date (September 30).

(h) *Monthly reports on Forms S-1 and S-2*: Not later than the 15th day following the end of the month covered by the reports.

(i) *Reports on Supplement to Form S-1*: Not later than the end of the month following the report date (there is no regular report date; reports are requested from time to time by the Treasury Department).

(j) *Quarterly reports on Form S-4*: Not later than the 15th day following the last day of March, June, September, and December.

(k) *Other reports*: Reports on the forms listed above or on other forms may be required from time to time at intervals other than those stated, and may call for greater detail than is required in the regular reports.

Alternative methods of reporting

7. Data required to be filed with this Bank as prescribed on the forms specified in paragraph 6 may be reported on punch cards, magnetic tape, or other media that can be processed by data-processing equipment, provided the proposed method of reporting and the format

is approved in writing by this Bank. Application for the use of such alternative reporting methods should be made to the Balance of Payments Division of our International Research Department. The use of such methods shall not affect the timely filing of reports prescribed in paragraph 6 hereof nor the exemptions specified in paragraph 9 hereof.

Who must report

8. All bankers and banking institutions, brokers and dealers, nonbanking business concerns, and nonprofit institutions located in the United States are required to report, except as specified in paragraph 9. Head offices should file consolidated reports that include the reportable amounts of their branches and subsidiaries in the United States; for reports on Forms C-1/2, C-3, and C-4, head offices are permitted the option of ensuring that amounts not so included are reported separately by their domestic branches and subsidiaries. In addition to the reports on Forms B-1 and B-2 regularly required to be filed by bankers and banking institutions, additional reports are required from certain of these reporters, as follows:

(a) All bankers and banking institutions in the United States reporting liabilities to "foreigners" on Form B-1 totaling \$75 million or more on March 31 or September 30 are required to file a report on Preliminary Summary Form B-1 as of the last business day of each of the succeeding six months (April-September; October-March).

(b) Bankers and banking institutions having branches or subsidiaries abroad, and agencies, branches, subsidiaries, or other affiliates of foreign banks, are required to report as of the end of each calendar quarter, on separate copies of Forms B-1 and B-2, amounts included on their regular monthly Forms B-1 and B-2 representing liabilities to certain affiliates abroad, as specified in Part III of the Instructions on such forms.

Exemptions from reporting requirements

9. The Secretary of the Treasury has exempted the persons indicated below from furnishing information on the following prescribed forms:

(a) *Form B-1*: A report as of any one month need not be filed by a banker or banking institution if the grand total of "short-term" liabilities to "foreigners" for its own account and for the account of others averaged less than \$500,000 in the six months ending with and including the reporting date, computed by averaging the monthly closing balances. The monthly report of any banking institution having branches in the United States should include the reportable liabilities to "foreigners" of all such branches, except that the \$500,000 exemption limit may be applied separately to each branch. In quarterly reports by bankers and banking institutions having branches or subsidiaries abroad, and agencies, branches, subsidiaries, or other affiliates of foreign banks, amounts aggregating less than \$500,000 for any individual country should not be reported.

(b) *Preliminary Summary Form B-1*: A report as of any one month in the six months succeeding March 31 or September 30 need not be filed by a bank that regularly reports on Form B-1 if, on either of the specified dates, the total of "short-term" liabilities to "foreigners" is less than \$75 million (even if its "short-term" liabilities exceed that level at month-ends other than March 31 and September 30).

(c) *Supplement to Form B-1*: Bankers and banking institutions that are exempt from reporting on Form B-1 are also exempt from reporting on the Supplement to Form B-1. There is no separate exemption level applicable to that form.

(d) *Form B-2*: The exemptions applicable to monthly and quarterly reports on Form B-1, set forth in (a) above, are also applicable to Form B-2 ("Short-Term" Claims on "Foreigners").

(e) *Form B-3*: The exemption applicable to monthly reports on Form B-1, set forth in (a) above, is also applicable to Form B-3 ("Long-Term" Liabilities to, and Claims on, "Foreigners").

(f) *Form C-1/2*: A report with respect to liabilities to "foreigners" (C-1) as of the end of any quarter need not be filed by any "person," otherwise required to report, if the grand total of his liabilities to "foreigners" for his own account and for the account of others averaged less than \$500,000 in the quarter ending with the reporting date and the preceding quarter, computed by averaging the closing balances as of the end of the two quarters. Similarly, a report with respect to claims on "foreigners" (C-2) as of the end of any quarter need not be filed by any "person," otherwise required to report, if the grand total of his claims on "foreigners" for his own account and for the account of others averaged less than \$500,000 in the quarter ending with the reporting date and the preceding quarter, computed by averaging the closing balances as of the end of the two quarters. These exemptions may be applied separately to each domestic branch and subsidiary.

(g) *Form C-3*: A report for any one month need not be filed by a "person," otherwise required to report, if the grand total of his claims reportable on Form C-3 is less than \$1 million on the reporting date. This exemption may be applied separately to each domestic branch and subsidiary.

(h) *Form C-4*: A report for September 30 of any year need not be filed by any "person," otherwise required to report, who does not report any "short-term" liquid claims opposite "All other countries" on Form C-3 as of September 30 of that year.

(i) *Form S-1*: A report for any one month need not be filed by a "person," otherwise required to report, if both the grand total of purchases and the grand total of sales of "long-term" securities, for his own account or for the account of others in transactions with "foreigners," averaged less than \$100,000 per month in the six months preceding the reporting date, computed by including transactions made in the month ending on the reporting date.

(j) *Form S-2*: Persons exempt from reporting on Form S-1 are also exempt from reporting on Form S-2. There is no separate exemption level applicable to that form.

(k) *Form S-4*: A report as of the end of any quarter need not be filed by a broker or dealer, otherwise required to report, whose total debit balances and total credit balances in accounts with "foreigners"

are each less than \$100,000 on the reporting date and also were less than \$100,000 on the preceding reporting date.

Requests for report forms and alternative methods of reporting

10. Requests for the prescribed report forms and for permission to use alternative methods of reporting should be addressed to the Balance of Payments Division of the International Research Department of this Bank.

Effect of this circular on previous circular

11. This circular supersedes our Operating Circular No. 19, Revised November 30, 1967, and the First Supplement thereto, dated March 28, 1968.

ALFRED HAYES,
President.

TITLE 31—MONEY AND FINANCE: TREASURY

CHAPTER I—MONETARY OFFICES, DEPARTMENT OF THE TREASURY

PART 128—TRANSACTIONS IN FOREIGN EXCHANGE, TRANSFERS OF CREDIT, AND EXPORT OF COIN AND CURRENCY

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- 128.12 Supplement to Foreign Exchange Form B-1: "Short-term" dollar liabilities to "foreigners" in countries not listed separately on Form B-1.
- 128.13 Foreign Exchange Form B-2: "Short-term" claims on "foreigners."
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- 128.17 Foreign Exchange Form S-1: Purchases and sales of "long-term" securities by "foreigners."
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- 128.21 Use of prescribed report forms for portions of data required to be reported thereon.
- 128.22 Special survey report forms.
- 128.23 Alternative methods of reporting.

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AUTHORITY: The provisions of this Part 128 issued under sec. 5, 40 Stat. 415, as amended, sec. 8, 59 Stat. 515; 50 U.S.C. App. 5, 22 U.S.C. 286f, E.O. 6560, Jan. 15, 1934, E.O. 10033, 14 F.R. 561, 3 CFR, 1949-1953 Comp.

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SUBPART A—REGULATIONS

§ 128.1 *General license.* Licenses may be granted, and a general license is hereby granted, to all individuals, partnerships, associations, and corporations, authorizing any and all transactions in foreign exchange, transfers of credit, and exports of currency (other than gold certificates) and silver coin. The general license granted in this section authorizes transactions to be carried out which are permitted by Executive Order 6560 of January 15, 1934 (Part 127 of this chapter), under license therefor issued pursuant to such Executive order; but does not authorize any transaction to be carried out which, at the time, is prohibited by any other order or by any law, rulings, or regulation.

§ 128.2 *Reports.* In order to effectuate the purposes of Executive Order 6560 of January 15, 1934 (Part 127 of this chapter), and in order that information requested by the International Monetary Fund under the Articles of Agreement of the Fund may be obtained in accordance with section 8 (a) of the Bretton Woods Agreements Act (Sec. 8 (a) 59 Stat. 515; 22 U. S. C. 286f and Executive Order No. 10033, 14 F. R. 561; 3 CFR, 1949 Supp.), every person subject to the jurisdiction of the United States engaging in any transaction, transfer, export or withdrawal referred to in §127.1 of this chapter shall furnish to the Federal Reserve bank of the district in which such person has his principal place of business in the United States information relative thereto, including information relative to claims and liabilities arising

therefrom, and information determined to be essential to comply with official requests for data made by the International Monetary Fund, to such extent and in such manner and at such intervals as is required by report forms and instructions prescribed by the Secretary of the Treasury. In the event that such person has no principal place of business within a Federal Reserve district, the information shall be furnished directly to the Office of International Affairs,* Treasury Department, Washington, D. C., 20220, or to such agency as the Treasury Department may designate.

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§ 128.3 *Modification or revocation.* The regulations in this part and the general license granted in this part may be modified or revoked at any time.

SUBPART B—DESCRIPTION OF FORMS PRESCRIBED UNDER THIS PART¹

§ 128.10 *Copies.* Copies of the forms described in this subpart with instructions may be obtained from any Federal Reserve bank or the Office of International Affairs,* Treasury Department, Washington, D. C., 20220.

§ 128.11 *Foreign Exchange Form B-1: "Short-term" liabilities to "foreigners."* On this form bankers and banking institutions in the United States are required to report monthly to a Federal Reserve bank "short-term" liabilities to "foreigners" or assets held on behalf of "foreigners" which represent claims on institutions or individuals in the United States, as of the last day of business of the month.

§ 128.12 *Supplement to Foreign Exchange Form B-1: "Short-term" dollar liabilities to "foreigners" in countries not listed separately on Form B-1.* On this form bankers and banking institutions in the United States are required to report twice a year, as of April 30 and December 31, to a Federal Reserve bank "short-term" dollar liabilities to "foreigners" in countries not listed separately on Form B-1.

§ 128.13 *Foreign Exchange Form B-2: "Short-term" claims on "foreigners."* On this form bankers and banking institutions in the United States are required to report monthly to a Federal Reserve bank "short-term" assets owned by the reporter or held for the account of domestic customers which represent claims on "foreigners," as of the last day of business of the month.

§ 128.14 *Foreign Exchange Form B-3: "Long-term" liabilities to, and claims on, "foreigners."* On this form bankers and banking institutions in the United States are required to report monthly to a Federal Reserve bank "long-term" liabilities to, and claims on, "foreigners" acquired or held, either in the United States or abroad, by reporting organizations for their own account or for the account of others, as of the last day of business of the month.

¹ The specific reporting requirements contained in this subpart have been approved by the Bureau of the Budget in accordance with the Federal Reports Act of 1942.

* Name of office changed to "Office of the Assistant Secretary for International Affairs" on October 14, 1964. *Ed.*

§ 128.15 *Foreign Exchange Form C-1/2: Liabilities to, and claims on, "foreigners."* On this form exporters, importers, industrial and commercial concerns and other nonbanking institutions in the United States are required to report quarterly, as of the last day of business of the quarter, to a Federal Reserve bank "short-term" and certain other liabilities to and claims on "foreigners" acquired or held, either in the United States or abroad, by reporting organizations for their own account or for the account of others.

§ 128.16 *Foreign Exchange Form C-3: "Short-term" liquid claims on "foreigners."* On this form exporters, importers, industrial and commercial concerns and other nonbanking institutions in the United States are required to report monthly to a Federal Reserve bank data on a portion of their claims on "foreigners," as of the last day of business of the month.

§ 128.16a *Foreign Exchange Form C-4: "Short-term" liquid claims on "foreigners" in countries not listed separately on Form C-3:* On this form reporters on Form C-3 are required to report annually a breakdown by country of the amounts which they reported as of September 30 on Form C-3 on the "All other countries" line.

§ 128.17 *Foreign Exchange Form S-1: Purchases and sales of "long-term" securities by "foreigners."* On this form bankers and banking institutions, brokers and dealers in the United States are required to report monthly to a Federal Reserve bank transactions in "long-term" and certain other securities executed in the United States for account of "foreigners" and transactions in "long-term" securities executed abroad for their own account and for the account of their domestic customers.

§ 128.18 *Supplement to Foreign Exchange Form S-1: U. S. Government bonds and notes held for "foreigners."* On this form bankers and banking institutions, brokers and dealers in the United States are required to report to a Federal Reserve bank, as requested by the Treasury Department, their holdings for the account of "foreigners" of United States Government bonds and notes.

§ 128.19 *Foreign Exchange Form S-2: Purchases and sales of U. S. Government bonds and notes by "foreign official institutions."* On this form bankers and banking institutions, brokers and dealers in the United States are required to report monthly to a Federal Reserve bank purchases and sales of United States Government bonds and notes by "foreign official institutions."

§ 128.20 *Foreign Exchange Form S-4: Foreign debit and credit balances.* On this form brokers and dealers in the United States are required to report quarterly, as of the last day of business of the quarter, to a Federal Reserve Bank, the debit and credit balances in their accounts carried by or for "foreigners."

§ 128.21 *Use of prescribed report forms for portions of data required to be reported thereon.* The report forms described in Sections 128.11–128.20 are also prescribed for use, as needed, for the collection at intervals other than the ones stated of a portion of the data required on each form in the same or greater detail.

§ 128.22 *Special survey report forms.* On report forms other than those described in § § 128.11 to 128.20 reports are required from time to time to provide detailed information on the content of aggregate data reported on these forms and also to provide qualitative information necessary for adequate analysis of the data reported.

§ 128.23 *Alternative methods of reporting.* In lieu of reports on the forms described in this subpart, the required data may be reported on punch cards, magnetic tape, or other media that can be processed by data-processing equipment, accompanied by a printed copy of the data reported which must be signed by a responsible officer of the reporting institution. The proposed method and format of reporting must be acceptable to the Federal Reserve Bank of the district in which the report is filed, and must be approved in writing by that Bank.

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