

ACCEPTANCES.

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REGULATION NO. 1.

Non-member banks and trust companies, and private banking firms desiring to have their acceptances made eligible for discount with Federal Reserve Banks must file an application with the Federal Reserve Bank of their district. The Federal Reserve Bank shall forward the application to the Federal Reserve Board with a report and recommendation. In case the Federal Reserve Board, upon the recommendation of the Federal Reserve Bank, approves the application, the name of the applicant shall be entered in a register to be kept by the Federal Reserve Board and all Federal Reserve Banks shall be notified that the name has been so registered. After receipt of this notification, the Federal Reserve Banks shall be permitted to purchase at their rate fixed for bank acceptances, the acceptances of such applicants, provided:

1. that the acceptance mature within three months from the date of the purchase of said acceptance;
2. that such acceptance be drawn to finance transactions involving the importation or exportation of goods and must bear on the face of the bill some reference to such transaction;
3. that it bear the signatures of at least three separate and distinct parties, viz: the acceptor, the drawer, and no less than one indorser. One indorser must be a member bank, or a registered non-member bank or trust company, or a registered private banking firm.

Every Federal Reserve Bank shall, at least once a year, send to the Federal Reserve Board a report concerning each bank, trust company or banking firm admitted to the

acceptance register. The Federal Reserve Board may at any time withdraw such name or names from the register and upon receipt of a notification that such name has been withdrawn, the permission to Federal reserve banks to purchase the acceptance of a firm so withdrawn, shall be considered as cancelled.

Every Federal reserve bank shall send a weekly report to the Federal Reserve Board stating in detail all purchases of bank acceptances.

Regulation No. 2.

Acceptances of member banks in order to be eligible for re-discount by Federal reserve banks must bear the signatures of at least three separate and distinct parties, viz: the acceptor, the drawer and no less than one endorser. One endorser must be a member bank or a registered non-member bank or trust company or a registered private banking firm.

Regulation No. 3.

Member banks shall be required to specify in the regular statements to their Federal reserve banks the aggregate amount of bills accepted by them and outstanding at the time and the aggregate amount of bank acceptances endorsed by them outstanding at the time. Non-member banks and trust companies admitted to the acceptance register shall obligate themselves to make a similar statement to the Federal reserve bank of their district at the end of each month. Private banking firms admitted to the acceptance register shall, at the end of each month, state to the

Federal reserve bank of their district the aggregate amount of bills accepted by them and at the time outstanding.

Regulation No. 4.

Only such non-member banks and trust companies or accepting discount or finance corporations shall be admitted to the acceptance register as have an aggregate unimpaired capital and surplus of no less than \$1,000,000, and only such private banking firms shall be admitted to the acceptance register as furnish a statement under oath to the Federal reserve bank of their district that their unimpaired, paid in capital is no less than \$2,000,000.

F. M. W.
12-7-14.