

REGULATION OF THE FEDERAL RESERVE BOARD.

In accordance with administrative procedure prescribed by the Secretary of the Treasury under authority of executive order of the President, dated October 12, 1917, and in order that transactions in foreign exchange may be investigated, regulated, or prohibited as the circumstances may require, the following regulations are hereby prescribed, effective from this date.

FEDERAL RESERVE BOARD

By \_\_\_\_\_  
Governor.\_\_\_\_\_  
Secretary.

APPROVED:

\_\_\_\_\_  
Secretary of the Treasury.

## DEFINITIONS.

The term person as used in these regulations shall be held to include individuals, firms, partnerships, corporations, and all associations of persons.

The term dealer shall be held to include any person engaged in the business of buying, selling or dealing in foreign exchange.

The term foreign exchange shall be held to include checks, drafts, bills of exchange, cable transfers, or any other form of negotiable or assignable instrument or order used to transfer credit or to order the payment of funds in any foreign country, insular possession or dependency of the United States, or other territory not included within the geographical limits of the Continental United States.

The term customer shall be held to include any person other than a dealer who is resident or domiciled in the United States, regardless of nationality, and who seeks to purchase or acquire foreign exchange or to arrange for the transfer of funds or of credits, or for the establishment of a credit in any form outside of the Continental United States.

The term registration certificate shall be held to mean certificate authorizing a dealer to engage in foreign exchange transactions not prohibited by law.

The term special license shall be held to mean a license or permit issued to an applicant authorizing such applicant to export gold or silver bullion or currency, or to engage in a particular foreign exchange transaction otherwise prohibited by law.

The term general license shall be held to mean a license or permit issued to an applicant authorizing such applicant to export gold or silver bullion to certain designated countries or to engage in certain classes of foreign exchange transactions for a fixed period of time or until such license is revoked.

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## FOREIGN EXCHANGE TRANSACTIONS:

Every dealer in foreign exchange shall within \_\_\_\_\_ days from this date file with the Federal Reserve Bank of the district in which such dealer is located, or is engaged in business, an application for a registration certificate. Such application shall be in form approved by the Federal Reserve Board and shall show the character of the business engaged in and whether or not any enemy or ally of an enemy of the United States has any interest directly or indirectly in such business. It shall embody an agreement on the part of the applicant.

- (a) to comply with regulations of the Board
- (b) to permit the inspection of the books of the dealer and
- (c) to make report as and when required on forms to be approved by the Board.

The Federal Reserve Bank with the approval of the Federal Reserve Board, may issue to such applicant a registration certificate in form approved by the Federal Reserve Board entitling the holder to engage in foreign exchange transactions not prohibited by law, by executive orders of the President or by administrative regulations. Such certificates may be revoked at any time by direction of the Secretary of the Treasury or the Federal Reserve Board. The Federal Reserve Bank issuing such licenses shall furnish to the applicant, copies of forms of reports required and the books and accounts of such applicant shall thereafter be kept in a manner which will enable him to furnish information called for in such reports without delay.

## LICENSES:

Applications for licenses to export coin, bullion, or currency shall be filed as heretofore with the Federal Reserve Bank and if such exports are to be made pursuant to authority granted to the applicant by license of the War Trade Board to trade with an enemy, the application shall be accompanied with copy of the license issued by the War Trade Board. Applications to engage in foreign exchange transactions which involve trading with an enemy, shall likewise be accompanied with copy of license issued by the War Trade Board.

**GENERAL REPORTS:**

Within \_\_\_\_\_ days after obtaining a registration certificate each dealer in foreign exchange shall file with the Federal Reserve Bank issuing such certificate a report showing all balances carried with or for foreign correspondents and such other information as may be called for on the forms to be furnished by the Federal Reserve Bank and shall thereafter file with the Federal Reserve Bank on dates specified by the Federal Reserve Bank, reports showing all changes in such balances and all purchases, sales, and other transactions in foreign exchange. Each dealer should require all customers purchasing or selling exchange to file a statement showing the purpose of such purchase or sale with full details of any transactions for the liquidation of or in connection with which such purchase or sale is made. Copies of such statement should be furnished upon request to the Federal Reserve Bank.

**SPECIAL REPORTS:**

Whenever any dealer in foreign exchange shall have reason to believe that any transaction, within his knowledge, involves or may involve directly or indirectly the payment of funds to or the transfer of credit for the benefit of an enemy or an ally of an enemy, he shall immediately report the facts and circumstances to the Federal Reserve Bank of his district.

**EXAMINATIONS:**

The books and records of all dealers in foreign exchange must at all times be open to inspection to examiners to be selected by the Federal Reserve Board.

11/28/17