§ 328.3 Authorization for restrictive endorsements.

(a) By banks. Banks are authorized, under the conditions and in the form hereinafter provided, to place restrictive endorsements upon the face of bearer securities owned by themselves or their customers for the purpose of presentation to Federal Reserve banks or branches, or to the Bureau of the Public Debt, as follows:

(1) For payment or redemption—at any time within 1 calendar month prior to their maturity date, or the date on which they become payable pursuant to a call for redemption, or at any time after their maturity or call date;

(2) For exchange—during any period for their presentation pursuant to an exchange offering;

(3) For redemption at par in payment of Federal estate taxes (only eligible securities)—at any time prior to their maturity or call redemption date; and

(4) For conversion to book-entry securities under subpart O of part 306 of this chapter—at any time prior to their maturity or call redemption date.

(b) By Service Center Directors and District Directors, Internal Revenue Service. Service Center Directors and District Directors, Internal Revenue Service, are authorized, under the conditions and in the form hereinafter provided, to place restrictive endorsements upon the face of bearer securities for the purpose of presentation to Federal Reserve banks or branches, or to the Bureau of the Public Debt, for redemption and application of the proceeds in payment of Federal estate taxes (other than securities presented for redemption at par and application of the proceeds in payment of Federal estate taxes).

(c) Instructions from Federal Reserve banks. Federal Reserve banks will inform eligible banks and Service Center Directors and District Directors, Internal Revenue Service, in their respective districts as to the procedure to be followed under the authority granted by these regulations. Restrictive endorsements shall not be placed on securities until such information is received from the Federal Reserve banks.

§ 328.4 Effect of restrictive endorsements.

Bearer securities bearing restrictive endorsements as herein provided will thereafter be nonnegotiable and payment, redemption, or exchange will be made only as provided in such endorsements.

§ 328.5 Forms of endorsement.

(a) When presented by banks—(1) For payment or exchange. The endorsement placed on a bearer security presented for payment or exchange by a bank should be in the following form:

For presentation to the Federal Reserve Bank of __________, Fiscal Agent of the United States, for redemption or in exchange for securities of a new issue, in accordance with written instructions submitted by __________. (Insert name of presenting bank)

(2) For redemption at par. The endorsement placed on a bearer security presented for redemption at par in payment of Federal estate taxes should be in the following form:

For presentation to the Federal Reserve Bank of __________, Fiscal Agent of the United States, for redemption at par in payment of Federal estate taxes, in accordance with written instructions submitted by __________. (Insert name of presenting bank)

(b) For conversion to book-entry securities. The endorsement placed on a bearer security presented for conversion to a book-entry security shall be in the following form:

For presentation to the Federal Reserve Bank of __________, Fiscal Agent of the United States, for conversion to book-entry securities by __________. (Insert name of presenting bank)

(c) When presented by Service Center Directors or District Directors, Internal Revenue Service. The endorsement placed on a bearer security presented for payment or redemption of Federal estate taxes should be in the following form:

For presentation to the Federal Reserve Bank of __________, Fiscal Agent of the United States, for payment or redemption of Federal estate taxes, in accordance with written instructions submitted by __________. (Insert name of presenting bank)