

ANNUAL SURVEY OF ELIGIBLE BANKERS ACCEPTANCES

Reporting Instructions

GENERAL INSTRUCTIONS

This survey collects information on eligible U.S. dollar-denominated bankers acceptances legally payable in the United States, including, for U.S.-chartered institutions, those executed by and carried on the books of the reporting institution's foreign branches. The data collected are used in constructing measures of the monetary aggregates and business credit.

The survey does *not* cover the following: (1) non-U.S. dollar-denominated acceptances, (2) "ineligible" acceptances, and (3) acceptances that are not legally payable in the United States.

Office Coverage. This survey is requested from the following banking institutions (including their International Banking Facilities) domiciled in the United States (fifty states and the District of Columbia):

- (a) U.S.-chartered commercial banks, including their domestic and foreign branches. (To be reported on a consolidated basis.) NOTE: Edge and agreement subsidiaries report separately as provided in (c) below.
- (b) U.S. branches and agencies of foreign banks. (To be reported on an individual office basis.)
- (c) Edge and agreement corporations. (To be reported on an individual office basis.)

Submission of the Surveys. The surveys are to be submitted on the forms provided. An entry should be made for each item, that is, an amount, a zero, the word "none," or an "N/A" (not applicable). All forms should indicate the name and address of the reporting institution, the name of the person to be contacted at the reporting institution regarding this survey, and the area code/telephone number of this contact.

Timing of Surveys. The data are to be reported each year as of September 30. The surveys are to be submitted by October 10.

DEFINITIONS OF TERMS USED IN THE ITEM-BY-ITEM INSTRUCTIONS

U.S. For purposes of this survey, U.S. encompasses the fifty states of the United States and the District of Columbia.

Non-U.S. For purposes of this survey, non-U.S. encompasses foreign countries, Puerto Rico, and U.S. territories and possessions.

Bankers acceptances. A bankers acceptance (BA), for purposes of this survey and as defined in the Call Reports (FFIEC 031-034, FFIEC 002, and FR 2886b), is a draft or bill of exchange that has been drawn on and accepted by a banking institution (the "accepting bank"), or its agent, for payment by that institution at a future date that is specified in the instrument. Funds are typically advanced to the drawer of the acceptance by the discounting of the accepted draft either by the accepting bank or by others; the accepted draft is negotiable and may be sold and resold subsequent to its original discounting. In some instances, the drawer may hold the acceptance to maturity. At the maturity date specified, the holder or owner of the acceptance on that date presents the accepted draft to the accepting bank for payment.

The accepting bank has an unconditional obligation to put the holder in funds (to pay the holder the face amount of the draft) on presentation on the specified date. The account party (customer) has an unconditional obligation to put the accepting bank in funds on or before the maturity date specified in the instrument.

"Eligible" bankers acceptances. Eligible bankers acceptances are those acceptances that are of the type that are eligible for discount by Federal Reserve Banks; that is, those acceptances that meet the criteria of Paragraph 7 of Section 13 of the Federal Reserve Act (12 U.S.C. §372). The eligibility criteria include the requirements that the acceptance: (1) grow out of a trade transaction involving exporting and importing (including transactions between foreign countries), domestic or foreign storage of readily marketable staples, or domestic shipment of goods; and (2) have a maturity of six months or less. BAs that grow out of the storage of staples must be secured at the time of acceptance by a warehouse receipt or other document conveying or securing title. Eligible acceptances are not subject to reserve requirements under current Regulation D. In addition, certain dollar exchange acceptances likewise are exempt from reserve requirements under current Regulation D; for purposes of this survey, such dollar exchange acceptances are included in "eligible" acceptances.

Payable in the United States. For purposes of this survey, a bankers acceptance is deemed to be pay-

able in the United States: (1) if the instrument is accepted by a U.S. office of the reporting institution and it does not bear a legend directing that payment be made outside the United States; or (2) if the instrument is accepted by a foreign branch of the reporting institution and it bears a legend directing that payment be made in the United States.

Dollar-denominated. For purposes of this survey, dollar-denominated acceptances are those acceptances denominated and payable at maturity in U.S. dollars.

“Participations” in acceptances. For purposes of this survey and as defined in the Call Reports, participations in acceptances arise when the accepting bank enters into any kind of arrangement with others for the purpose of having the latter share, or participate, in the obligation to put the holder of the acceptance in funds at maturity or in the risk of loss in the event of default on the part of the account party. The existence of any such sharing arrangement or participation agreement does *not* reduce the accepting bank’s obligation to honor the full amount of the acceptance at maturity - regardless of the form or provisions of the contract, regardless of the terminology (for example, “funded,” “risk,” “conditional,” or “contingent”) used to describe the agreement, regardless of whether the agreement is described as a participation in the customer’s liability or in the accepting bank’s obligation or in the risk of default by the account party, and regardless of the system of debits and credits used by the accepting bank to reflect the participation arrangement. Thus, the accepting bank should report the full amount of acceptances outstanding, including participations, as described below. Similarly, in the event the reporting institution has acquired such participations of the accepting bank, the amount of such participations is *not* to be included in any item of the survey.

ITEM-BY-ITEM INSTRUCTIONS

General. The term “acceptances” in the following instructions refers only to acceptances that are eligible, U.S. dollar-denominated, and payable in the United States.

Rounding. Amounts should be rounded to the nearest thousand dollars.

Item 1. Total amount of reporting institution’s eligible acceptances in existence. Report the full amount of acceptances executed by the reporting institution that are in existence at the report date. Acceptances in existence consist of both those acceptances executed by the reporting institution that are held in the institution’s own portfolio and trading account and those executed and outstanding at the end of the month that have been sold to others, either outright or under a repurchase agreement. Include in this item acceptances that grow out of a draft drawn against the reporting institution by another bank, whether the bank drawing the draft is domestic or foreign. Do *not* reduce the amount reported by the amounts of any acceptance obligations that have been conveyed to others through participation agreements. Do *not* include any such participations conveyed to the reporting bank by other accepting institutions.

Item 2. Amount of eligible acceptances of other banks held in reporting institution’s portfolio and trading account. Report in this item the full amount of acceptances executed by other institutions that are held by the reporting institution in its portfolio and trading account at the report date.

Memo Item 1. Amount of reporting institution’s eligible acceptances representing goods stored in, or shipped between, foreign countries (component of Item 1). Report in this item the full amount of acceptances executed and held by the reporting institution at the report date representing goods stored in, or shipped between, foreign countries. Note that the full amount reported in this item should be included in Item 1.

Memo Item 2. Amount of reporting institution’s eligible acceptances held in its portfolio and trading account (component of Item 1). Report in this item the full amount of acceptances executed and held by the reporting institution in its portfolio and trading account at the report date. Include in this item any acceptances so held that have been “refinanced” by the reporting institution by drawing a draft on another bank. Note that the full amount reported in this item should be included in Item 1.