

(5) *Nature of examination*—(i) *Medical*. A medical examination is required for the applicant and his dependents who will reside with him on tours abroad. Each applicant and his dependents shall meet the physical requirements for full Foreign Service duty. Normally, failure to meet the medical requirements will preclude appointment as a Foreign Service officer. In exceptional cases, the Director General may grant a waiver of the physical requirements in the interest of the Service.

(ii) *Security*. Each applicant shall have demonstrated his loyalty to the Government of the United States and his attachment to the principles of the Constitution. A background investigation shall be conducted or appropriate security clearance shall be assured.

(iii) *Qualifications evaluation*. An evaluation is made of the education, training, experience, and work performance of the applicant based on his application forms, records of performance, interviews, background investigative reports, and other available information. A record of successful performance overseas is not a lateral entry prerequisite, but is considered an additional favorable factor in evaluating an applicant.

(iv) *Oral examination*. (a) Candidates recommended for further consideration after completion of the qualifications review and evaluation are given oral examinations by a panel of Deputy Examiners appointed by the Board of Examiners from a roster of Foreign Service officers, Civil Service officers of the Department, officers of other Federal agencies, and from members of the public. The panel shall include at least one officer from the same professional specialty as that for which the applicant is being examined.

(b) The oral examination is given in Washington and at Foreign Service posts selected by the Board of Examiners, but normally not at the candidate's post of assignment.

(v) *Final review and certification*. The Board of Examiners considers all cases of candidates fully examined, determines whether they should be certified for appointment as Foreign Service officers and certifies successful candidates, specifying the appropriate class and salary for which they are found qualified.

(Secs. 212, 302, 303, 516, 517, 60 Stat. 1001, as amended; 1002, 1008, as amended; 22 U.S.C. 827, 842, 843, 911, 912)

Dated: February 15, 1967.

For the Secretary of State.

IDAR RIMESTAD,
Deputy Under Secretary
for Administration.

[P.R. Doc. 67-2322; Filed, Mar. 1, 1967;
8:48 a.m.]

Title 26—INTERNAL REVENUE

Chapter I—Internal Revenue Service, Department of the Treasury

SUBCHAPTER A—INCOME TAX

[T.D. 6913]

PART 1—INCOME TAX; TAXABLE YEARS BEGINNING AFTER DECEMBER 31, 1953

Percentage To Be Used by Foreign Life Insurance Companies in Computing Income Tax for the Taxable Year 1966 and Estimated Tax for the Taxable Year 1967

Section 819 of the Internal Revenue Code of 1954 provides for the determination of a percentage to be used in determining a "minimum figure" for each foreign corporation carrying on a life insurance business. Where this minimum figure exceeds such a corporation's surplus held in the United States, the amount of the "policy and other contract liability requirements" (determined under section 805 without regard to section 819), and the amount of the "required interest" (determined under section 809(a) without regard to section 819), must each be reduced by an amount determined by multiplying such excess by the "current earnings rate" (as defined in section 805(b)(2)). Accordingly, it is hereby determined that for purposes of computing the 1966 income tax for foreign corporations carrying on a life insurance business a percentage of 15.0 shall be used in determining the "minimum figure" under section 819.

It is presently anticipated that the data with respect to domestic life insurance companies for 1966 required for the computation of the percentage to be used by foreign corporations carrying on a life insurance business in computing their estimated tax for the taxable year 1967 will not be available in time for the filing of the declaration of estimated tax for such taxable year. Accordingly, it is hereby determined that for purposes of computing the estimated tax for the taxable year 1967 and payments of installments thereof by such corporations a percentage of 15.0 (the percentage applicable for 1966) shall be used in determining the minimum figure under section 819. No additions to tax shall be made because of any underpayment of estimated tax for the taxable year 1967 which results solely from the use of this percentage.

Because the percentage announced in this Treasury decision is computed from information contained in the income tax returns of domestic life insurance companies for the year 1965, which are not open to public inspection, the public accordingly cannot effectively participate in the determination of such figure. Therefore, it is found that it is unnecessary to issue this Treasury decision with notice and public procedure thereon under section 553(b) of Title 5 of the

United States Code (Pub. L. 89-554, 80 Stat. 383), or subject to the effective date limitation of subsection (d) of such section.

[SEAL] STANLEY S. SURREY,
Assistant Secretary of the Treasury.

FEBRUARY 24, 1967.

[P.R. Doc. 67-2343; Filed, Mar. 1, 1967;
8:50 a.m.]

Title 31—MONEY AND FINANCE: TREASURY

Chapter II—Fiscal Service, Department of the Treasury

SUBCHAPTER B—BUREAU OF THE PUBLIC DEBT

PART 306—GENERAL REGULATIONS WITH RESPECT TO U.S. SECURITIES

PART 312—FEDERAL SAVINGS AND LOAN ASSOCIATIONS AND FED- ERAL CREDIT UNIONS AS FISCAL AGENTS OF THE UNITED STATES

PART 315—REGULATIONS GOVERN- ING U.S. SAVINGS BONDS

Miscellaneous Amendments

The regulations set forth in the Treasury Department Circulars No. 300, Third Revision (31 CFR Part 306), and No. 530, Ninth Revision, as amended (31 CFR Part 315), both dated December 23, 1964, and No. 568 (31 CFR Part 312), dated September 15, 1936, have been revised and amended in the form shown below. As these revisions and amendments, which were adopted on February 24, 1967, are all matters concerning the fiscal policy of the United States, notice and public procedure thereon are unnecessary.

Dated: February 24, 1967.

[SEAL] JOHN K. CARLOCK,
Fiscal Assistant Secretary.

Section 306.0 of Department Circular No. 300, Third Revision, dated December 23, 1964 (31 CFR Part 306), is hereby amended, as follows:

§ 306.0 Applicability of regulations.

The regulations in this part apply to all U.S. transferable and nontransferable securities,¹ other than U.S. Savings Bonds and U.S. Savings Notes, to the extent specified in the regulations in this part, the offering circulars or special regulations governing such securities.

§ 312.2 [Rescinded]

Section 312.2 of Department Circular No. 568, dated September 15, 1936 (31 CFR Part 312), is hereby rescinded and the number is reserved, and § 312.4 of the circular is hereby amended, as follows:

¹ See footnote 1, Department Circular No. 300, Third Revision (31 CFR Part 306).

§ 312.4 Bond of indemnity.

No Federal savings and loan association or Federal credit union which may have been designated for employment mentioned in this part shall perform, or make any effort to perform any of the acts included in such employment, or advertise in any manner that it is authorized to perform such acts until it has qualified by the execution of, delivery to, and approval of a bond of indemnity in favor of the United States with satisfactory surety, or with the pledge of collateral security as provided in Part 225 of this chapter, conditioned upon the faithful performance of the obligor's duties as fiscal agent of the United States in the principal amount of \$1,000 and until the Federal Home Loan Bank Board or the Bureau of Federal Credit Unions, Department of Health, Education, and Welfare, respectively, shall have certified to the Secretary of the Treasury that such association or credit union is in good standing and is eligible, under the terms and conditions prescribed by the Secretary, to qualify for the performance of the designated acts. The Federal Home Loan Bank Board and the Bureau of Credit Unions, respectively, shall keep the Secretary of the Treasury currently advised of the changes in the lists of associations and credit unions which are eligible, under the aforesaid terms and conditions, to qualify for the performance of the designated acts.

Sections 315.0, 315.2(a), and 315.16 of Department Circular No. 530, Ninth Revision (31 CFR Part 315), dated December 23, 1964, as amended, are hereby revised and amended, as follows:

§ 315.0 Applicability of regulations.

The regulations in this part apply to all U.S. Savings Bonds of whatever series designation, bearing any issue dates whatever, to the extent specified herein and in the offering circulars governing such bonds. The provisions of the regulations in this part with respect to bonds registered in the names of certain classes of individuals, fiduciaries, and organizations are equally applicable to bonds to which such individuals, fiduciaries, and organizations are otherwise shown to be entitled under the regulations in this part. U.S. Savings Notes, issued under authority of sections 18 and 20 of the Second Liberty Bond Act, as amended (31 U.S.C. 753 and 754b), and offered in Department Circular, Public Debt Series No. 3-67 (Part 342 of this chapter), are also governed by the regulations in this part, subject to the provisions of the offering circular. The term "savings bonds" or "bonds," as used in the regulations in this part, refers to U.S. Savings Bonds and, as applicable, to U.S. Savings Notes. The provisions of Department Circular No. 300, current revision (Part 306 of this chapter), have no application to the securities governed by the regulations in this part.

§ 315.2 Definition of words and terms as used in these regulations.

(a) "Authorized issuing agent" means an incorporated bank, trust company,

savings bank, savings and loan association, other organization, or agency of the United States qualified as an issuing agent under the provisions of Department Circular, Public Debt Series No. 4-67 (Part 317 of this chapter).

§ 315.16 Pledge under Department Circular No. 154 and Public Debt Series No. 4-67.

A bond may be pledged by the registered owner in lieu of security under the provisions of Department Circular No. 154, current revision (Part 225 of this chapter), if the bond approving officer is the Secretary of the Treasury, in which case an irrevocable power of attorney shall be executed authorizing the Secretary of the Treasury to request payment. A bond may also be deposited as security with a Federal Reserve Bank under the provisions of Department Circular, Public Debt Series No. 4-67 (Part 317 of this chapter).

[F.R. Doc. 67-2340; Filed, Mar. 1, 1967; 8:49 a.m.]

PART 317—REGULATIONS GOVERNING AGENCIES FOR ISSUE OF U.S. SAVINGS BONDS OF SERIES E AND U.S. SAVINGS NOTES

The regulations set forth in Treasury Department Circular No. 657 (31 CFR Part 317), dated April 15, 1941, as amended, are hereby rescinded and replaced by Treasury Department Circular, Public Debt Series No. 4-67 (31 CFR Part 317). As the changes made are all matters concerning the fiscal policy of the United States, notice and public procedures thereon are unnecessary.

The revisions and amendments, set out below, were adopted on February 24, 1967.

Dated: February 24, 1967.

[SEAL] JOHN K. CARLOCK,
Fiscal Assistant Secretary.

Sec.	Purpose.
317.0	Definitions of words and terms as used in this circular.
317.1	Definitions of words and terms as used in this circular.
317.2	Procedure for qualifying as an issuing agent.
317.3	Certificate of qualification.
317.4	Modification or termination of qualification.
317.5	Issuance of bonds and notes.
317.6	Accounting.
317.7	Fiscal agents.
317.8	Reservations.

AUTHORITY: The provisions of this Part 317 issued under secs. 18, 20, 22, Second Liberty Bond Act, as amended (31 U.S.C. 753, 754b, 757c; 40 Stat. 1309, 48 Stat. 383, 49 Stat. 21, all as amended).

§ 317.0 Purpose.

The regulations in this part prescribe the procedures whereby (a) banks, trust companies and savings institutions chartered by or incorporated under the laws of the United States or those of any State or Territory of the United States or the Commonwealth of Puerto Rico, (b) agencies of the United States and of State and local governments, (c) employers operating payroll savings plans

for the purchase of U.S. Savings Bonds, and (d) other entities, may qualify, and thereafter act, as agents for the sale and issue of U.S. Savings Bonds of Series E and U.S. Savings Notes, issued pursuant to Treasury Department Circulars No. 653, current revision, and Public Debt Series No. 3-67 (Parts 316 and 342 of this chapter), respectively.

§ 317.1 Definitions of words and terms as used in this circular.

(a) "Bonds" refer to U.S. Savings Bonds of Series E.

(b) "Federal Reserve Bank" refers to the Federal Reserve Bank of the Federal Reserve district in which the issuing agent, or the applicant organization, is located, and includes Branches to the extent utilized by the parent Bank. In the context of the regulations in this part, the reference to the Federal Reserve Bank is in its capacity as fiscal agent of the United States.

(c) "Issuing agent" refers to an organization which has been issued a certificate of qualification to sell and issue bonds and notes, or bonds only.

(d) "Notes" refers to U.S. Savings Notes.

(e) "Organization" refers to any entity described in § 317.0 as eligible to qualify as an issuing agent of the bonds and notes, or bonds only.

§ 317.2 Procedure for qualifying as an issuing agent.

(a) *General.* An organization desiring to qualify as an issuing agent shall obtain from and file with the Federal Reserve Bank an appropriate application-agreement form. If the organization desires to qualify as an issuing agent for bonds only, it shall, before submission, amend the form furnished so that it refers only to bonds. Through use of the appropriate form, the person authorized to act on behalf of the organization will certify that it is authorized by its governing body, or other body authorized to act in the premises, to apply for and act as an issuing agent under the terms of the agreement, the regulations in this part and the circulars offering the bonds and notes for sale, or, if appropriate, bonds only, and that applicable Federal or State law permits or does not prohibit the organization from so acting. The Secretary of the Treasury, either directly or through the Federal Reserve Bank, may deny qualification to, or specify the basis of qualification of, any organization.

(b) *Basis on which stock may be obtained—(1) Trust agreement.* An organization may obtain stocks on the basis of an application-trust agreement. Under the terms of such agreement, the stocks of bonds and notes obtained, together with the proceeds of sale therefrom, are at all times the property of the United States, for which the organization shall be fully accountable.

(2) *Pledge agreement—(1) Pledge of collateral.* An organization may obtain stock on the basis of a pledge of collateral. Under the terms of the application-pledge agreement, collateral is pledged at the cost price of the maximum

amount of stocks of bonds and notes, and the proceeds of sales therefrom, for which the organization may be accountable at any one time.

(ii) *Security.* Security which may be required under the application-pledge agreement shall consist of either or both of the following:

(a) The amount of insurance directly available to the United States covering the proceeds of the issuing agent's sales of bonds and notes by reason of the agent's coverage by an acceptable Federal or State insurance corporation or fund; for example, in the case of a member bank of the Federal Deposit Insurance Corporation, the amount of security would be \$15,000 and would cover approximately \$20,000 (face amount) of stocks of bonds and notes.

(b) U.S. Treasury bonds or other direct obligations of the United States, or obligations unconditionally guaranteed as to both principal and interest by the United States, in negotiable form, which will be accepted at face value; and U.S. Savings Bonds of any series registered in the name of the issuing agent, which will be accepted at issue price. Savings bonds must be accompanied by an irrevocable power of attorney, executed on behalf of the issuing agent, authorizing the Secretary of the Treasury to request payment of the bonds. All obligations deposited pursuant hereto must be delivered to the Federal Reserve Bank before stocks of bonds and notes may be obtained.

(3) *Prepayment of stock.* An organization whose primary function as an issuing agent will relate to the issue of bonds and notes bought under its payroll savings plan, and which is not qualified under subparagraph (1) or (2) of this paragraph, is required to execute an application-prepayment agreement, under the terms of which all stocks of bonds and notes obtained for its issue function are prepaid at cost price.

(c) *Issuing agents of bonds qualified under Treasury Department Circular No. 657, as amended.* Issuing agents of bonds qualified prior to the rescission of Treasury Department Circular No. 657, as amended, who do not desire to qualify as issuing agents for the notes, may continue to act without requalification and by so doing shall be subject to the terms and conditions of this circular and the agreements under which they qualified in the same manner and to the same extent as though they had requalified hereunder.

§ 317.3 Certificate of qualification.

Until such time as a certificate of qualification is issued by the Federal Reserve Bank, an organization shall not make any effort to or perform any acts as an issuing agent, or advertise in any manner that it is authorized to perform such acts, or that it has applied for qualification as an issuing agent. Upon approval of the application-agreement, the Federal Reserve Bank will issue a certificate of qualification to the organization. The organization will be notified if the application-agreement is not approved,

or after qualification, at any such time as the certificate of qualification is modified or terminated.

§ 317.4 Modification or termination of qualification.

(a) *By the United States.* The Secretary of the Treasury, or the Federal Reserve Bank may modify or terminate the qualification of an issuing agent at any time, upon notice to that effect, and may require the immediate surrender of any part or all of the stocks of bonds and notes held by the agent for sale and not theretofore issued or sold, and any part or all of the proceeds due on account of the stocks issued or sold. The Secretary of the Treasury, or the Federal Reserve Bank, may also regulate the amount of stocks of bonds and notes which may be obtained, including temporary increases over the amount of stocks obtainable by the issuing agent regardless of the basis of qualification, and under § 317.2 (b) (2) or (3), without requiring a pledge of additional collateral or additional prepayment for stocks.

(b) *By issuing agent.* An issuing agent which has fully complied with the terms of its agreement and the regulations and instructions issued pursuant thereto may at any time request the Federal Reserve Bank to modify or terminate its qualification.

§ 317.5 Issuance of bonds and notes.

Issuing agents must comply with all regulations and instructions issued by the Treasury Department or the Federal Reserve Bank concerning the sale, inscription, dating, validation, and issue of the bonds and notes, and disposition of the registration stubs. No issuing agent shall have authority to sell bonds and notes other than as provided in the offering circulars and the governing regulations.¹

§ 317.6 Accounting.

Issuing agents must comply with all regulations and instructions issued by the Treasury Department, governing the accounting for stocks of bonds and notes received as issuing agent and the proceeds of sales thereof. Each issuing agent, other than an agent qualified on the basis of prepayment of stock, shall open and maintain, or continue to maintain, for the Federal Reserve Bank, a separate deposit account for the proceeds of all sales of bonds and notes to be known, as appropriate, as the "Savings Bond and Note Account," or the "Series E bond account." An issuing agent which is also a depository pursuant to Treasury Department Circular No. 92, current revision (Part 203 of this chapter), may make payment by credit for the proceeds of its sales of bonds and notes up to any amount for which it shall be qualified under that circular in excess of existing deposits when so authorized by the Federal Reserve Bank.

¹ Treasury Department Circulars No. 530, current revision (31 CFR Part 315), No. 653, current revision (31 CFR Part 316), and Public Debt Series No. 3-67 (31 CFR Part 342).

§ 317.7 Fiscal agents.

The Federal Reserve Banks are authorized to perform such duties and prepare and issue such forms and instructions as may be necessary to fulfill the purposes and requirements of the regulations in this part.

§ 317.8 Reservations.

The Secretary of the Treasury may at any time or from time to time, revise, supplement, amend, or withdraw, in whole or in part, the provisions of the regulations in this part, or of any revisions, supplements, or amendments thereto.

[F.R. Doc. 67-2342; Filed, Mar. 1, 1967; 8:50 a.m.]

Chapter V—Office of Foreign Assets Control, Department of the Treasury

PART 525—RHODESIAN TRANSACTION REGULATIONS

Part 525 is added, reading as follows:

Subpart A—Relation of This Part to Other Laws and Regulations

Sec.
525.101 Relation of this part to other laws and regulations.

Subpart B—Prohibitions

525.201 Transactions involving certain merchandise.
525.202 Transactions involving certain goods for Southern Rhodesia.

Subpart C—General Definitions

525.301 Person.
525.302 Transfer.
525.303 License.
525.304 General license.
525.305 Specific license.
525.306 United States; continental United States.
525.307 Person subject to the jurisdiction of the United States.

Subpart D—Interpretations

525.401 Reference to amended sections.
525.402 Effect of amendment of sections of this part or of other orders, etc.
525.403 Transactions between principal and agent.
525.404 Insurance of embargoed goods.
525.405 Stockpiling in Southern Rhodesia.
525.406 Processing of embargoed goods for Rhodesian account.

Subpart E—Licenses, Authorizations, and Statements of Licensing Policy

525.501 Effect of subsequent license or authorization.
525.502 Exclusion from licenses and authorizations.
525.503 Certain transactions with respect to merchandise affected by § 525.201.
525.504 Letters of credit.
525.505 Merchandise exported prior to December 16, 1966.

Subpart F—Reports

525.601 Records.
525.602 Reports to be furnished on demand.

Subpart G—Penalties

525.701 Penalties.

Subpart H—Procedures

525.801 Licenses.
525.802 Availability of forms and records.
525.803 Decision.