

by the amount of any transfer by such bank under paragraph (1).

(Dec. 23, 1913, ch. 6, §7(a), (b), 38 Stat. 258; Mar. 3, 1919, ch. 101, §1, 40 Stat. 1314; June 16, 1933, ch. 89, §4, 48 Stat. 163; Pub. L. 103–66, title III, §3002(a), Aug. 10, 1993, 107 Stat. 337; Pub. L. 103–325, title VI, §602(d), Sept. 23, 1994, 108 Stat. 2291; Pub. L. 106–113, div. B, §1000(a)(5) [title III, §302], Nov. 29, 1999, 113 Stat. 1536, 1501A–304; Pub. L. 114–94, div. C, title XXXII, §§32202, 32203(a), Dec. 4, 2015, 129 Stat. 1739; Pub. L. 115–123, div. C, title II, §30205, Feb. 9, 2018, 132 Stat. 127; Pub. L. 115–174, title II, §217, May 24, 2018, 132 Stat. 1326.)

Editorial Notes

CODIFICATION

Section is comprised of subsec. (a) [formerly first undesignated par.] of section 7 of act Dec. 23, 1913, and subsec. (b) [enacted by Pub. L. 106–113, div. B, §1000(a)(5) [title III, §302(2)], Nov. 29, 1999, 113 Stat. 1536, 1501A–304] of section 7. Another subsec. (b) of section 7 is classified to section 290 of this title. Subsec. (c) of section 7 is classified to section 531 of this title.

AMENDMENTS

2018—Subsec. (a)(3)(A). Pub. L. 115–174 substituted “\$6,825,000,000” for “\$7,500,000,000”.

Pub. L. 115–123 substituted “\$7,500,000,000” for “\$10,000,000,000”.

2015—Subsec. (a)(1)(A). Pub. L. 114–94, §32203(a)(1), amended subpar. (A) generally. Prior to amendment, text read as follows: “After all necessary expenses of a Federal reserve bank have been paid or provided for, the stockholders of the bank shall be entitled to receive an annual dividend of 6 percent on paid-in capital stock.”

Subsec. (a)(1)(C). Pub. L. 114–94, §32203(a)(2), added subpar. (C).

Subsec. (a)(3). Pub. L. 114–94, §32202, added par. (3).

1999—Subsec. (a)(3). Pub. L. 106–113, §1000(a)(5) [title III, §302(1)], struck out heading and text of par. (3). Text read as follows: “During fiscal years 1997 and 1998, any amount in the surplus fund of any Federal reserve bank in excess of the amount equal to 3 percent of the total paid-in capital and surplus of the member banks of such bank shall be transferred to the Board for transfer to the Secretary of the Treasury for deposit in the general fund of the Treasury.”

Subsec. (b). Pub. L. 106–113, §1000(a)(5) [title III, §302(2)], added subsec. (b).

1994—Par. (1)(B). Pub. L. 103–325, §602(d)(1), inserted “(A)” after “subparagraph”.

Par. (2). Pub. L. 103–325, §602(d)(2), substituted “paragraph (1)(A)” for “subparagraph (A)”.

1993—Pub. L. 103–66 inserted section catchline and amended section generally. Prior to amendment, section read as follows: “After all necessary expenses of a Federal reserve bank shall have been paid or provided for, the stockholders shall be entitled to receive an annual dividend of 6 per centum on the paid-in capital stock, which dividend shall be cumulative. After the aforesaid dividend claims have been fully met, the net earnings shall be paid into the surplus fund of the Federal reserve bank.”

1933—Act June 16, 1933, provided that net earnings shall be paid into surplus instead of to the United States as a franchise tax.

Statutory Notes and Related Subsidiaries

EFFECTIVE DATE OF 2015 AMENDMENT

Pub. L. 114–94, div. C, title XXXII, §32203(b), Dec. 4, 2015, 129 Stat. 1740, provided that: “The amendments made by subsection (a) [amending this section] shall take effect on January 1, 2016.”

EFFECTIVE DATE OF 1933 AMENDMENT

Act June 16, 1933, ch. 89, §4, 48 Stat. 163, provided that the amendment made by that section is effective July 1, 1932.

DISCRETIONARY SURPLUS FUNDS

Pub. L. 116–283, div. F, title LXV, §6510, Jan. 1, 2021, 134 Stat. 4633, provided that: “The dollar amount specified under section 7(a)(3)(A) of the Federal Reserve Act (12 U.S.C. 289(a)(3)(A)) is reduced by \$40,000,000.”

ADDITIONAL TRANSFERS FOR FISCAL YEARS 1997 AND 1998

Pub. L. 103–66, title III, §3002(b), Aug. 10, 1993, 107 Stat. 337, provided that in addition to the amounts required to be transferred from the surplus funds of the Federal reserve banks pursuant to former section 289(a)(3) of this title, the Federal reserve banks should transfer \$106,000,000 in fiscal year 1997 and \$107,000,000 in fiscal year 1998 from their surplus funds to the Treasury for deposit in the general fund, and prohibited the banks from replenishing their surplus funds by the amount of such transfer.

§ 290. Use of earnings transferred to the Treasury

The net earnings derived by the United States from Federal reserve banks shall, in the discretion of the Secretary, be used to supplement the gold reserve held against outstanding United States notes, or shall be applied to the reduction of the outstanding bonded indebtedness of the United States under regulations to be prescribed by the Secretary of the Treasury. Should a Federal reserve bank be dissolved or go into liquidation, any surplus remaining, after the payment of all debts, dividend requirements as hereinbefore provided, and the par value of the stock, shall be paid to and become the property of the United States and shall be similarly applied.

(Dec. 23, 1913, ch. 6, §7(b), 38 Stat. 258; Pub. L. 103–66, title III, §3002(c)(1), Aug. 10, 1993, 107 Stat. 337.)

Editorial Notes

CODIFICATION

Section is comprised of subsec. (b) [formerly second undesignated par.] of section 7 of act Dec. 23, 1913. Subsec. (a) and another subsec. (b) [enacted by Pub. L. 106–113, div. B, §1000(a)(5) [title III, §302(2)], Nov. 29, 1999, 113 Stat. 1536, 1501A–304] of section 7 are classified to section 289 of this title. Subsec. (c) of section 7 is classified to section 531 of this title.

AMENDMENTS

1993—Pub. L. 103–66 inserted section catchline.

SUBCHAPTER VII—DIRECTORS OF FEDERAL RESERVE BANKS; RESERVE AGENTS AND ASSISTANTS

§ 301. Powers and duties of board of directors; suspension of member bank for undue use of bank credit

Every Federal reserve bank shall be conducted under the supervision and control of a board of directors.

The board of directors shall perform the duties usually appertaining to the office of directors of banking associations and all such duties as are prescribed by law.

Said board of directors shall administer the affairs of said bank fairly and impartially and