

2675.2270 DISCLOSURE OF CONTINGENT OR ACTUAL LIABILITIES.

Any liability either actual or contingent that may be incurred by a bank in the conduct of its daily operations must be reflected on the bank's financial statements under an appropriate caption on its statement of condition or as a footnote to the statement. In the case of agreements which may be entered into between a Minnesota state bank and automobile manufacturers, such agreements result in a contingent liability and should be shown as a footnote to the daily statement. When a draft (whether demand or time) is received by the bank under this agreement, it becomes an actual liability and is to be entered in the general ledger as "acceptances outstanding" with a corresponding entry under assets with the caption "customers' liabilities on acceptances."

Statutory Authority: *MS s 46.01*

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