

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 922]
July 11, 1929]

Receipt and Delivery of Securities Through
the Stock Clearing Corporation

To all Member Banks in the Second Federal Reserve District:

Arrangements have been made pursuant to which, commencing July 15, 1929, receipts and deliveries of securities by this bank for account of member banks, and settlements therefor, may be effected through the Stock Clearing Corporation subject to the by-laws and rules of that corporation. In accordance with such by-laws and rules the receipts and deliveries of securities by this bank through the Stock Clearing Corporation will be limited to those from and to bankers and brokers in New York City who have qualified as Clearing Members pursuant to the by-laws of that corporation; and will be further limited to receipts and deliveries of securities against the payment of funds; and will include only securities listed on the New York Stock Exchange and such others as the Stock Clearing Corporation may be willing to accept. Member banks requesting this bank to receive or make deliveries of securities for their account will be understood to authorize this bank to carry out the transactions, that may be so handled, in accordance with the by-laws and rules of the Stock Clearing Corporation.

The Stock Clearing Corporation conducts a Central Delivery Department for the receipt and delivery of securities between Clearing Members and certain nonmembers; and at 3 p. m. each business day except Saturday each Clearing Member and nonmember makes settlement with the Stock Clearing Corporation by paying or receiving the net balance due to or from the Stock Clearing Corporation for the securities which that particular Clearing Member or nonmember has received and delivered through the Central Delivery Department during the day. This bank has made a careful study of the matter and is satisfied that this method of receiving and making delivery of securities, and of making settlement therefor, through the Stock Clearing Corporation, will be a substantial improvement over present methods from the standpoint of both safety and convenience.

There will be no change for the present in the procedure of this bank with respect to deliveries and receipts of securities which cannot be effected through the Stock Clearing Corporation.

GEORGE L. HARRISON,
Governor.