

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 1566]
July 9, 1935]

INTERPRETATION OF REGULATION T

*To National Securities Exchanges in the
Second Federal Reserve District:*

For your information I quote below the text of a telegram which I have received from the Federal Reserve Board:

Ruling No. 45 Interpreting Regulation T.

The Federal Reserve Board, in reply to inquiries regarding the provisions of section 6 of Regulation T, as amended May 10, 1935, rules that a debit entry made by a broker in accordance with common practice in a customer's "special cash account" as of the day on which the broker, in accordance with the usual custom of the trade and in the absence of "failures to receive", would ordinarily receive and pay for securities which have been purchased for the customer in such account, shall be deemed, for the purposes of the third paragraph of section 6, to constitute the required record of "the date of payment by the creditor" for such securities in all cases except those in which the broker, having in fact received and paid for the securities on a later day, shall have recorded such later day in such account as the date of payment by the creditor.

Additional copies of this circular will be furnished upon request.

J. H. CASE,
Federal Reserve Agent.