

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 1829]
March 18, 1938]

AMENDMENT OF REGULATION T
OF THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

*To Members of National Securities Exchanges,
Brokers and Dealers in Securities, and Banking
Institutions, in the Second Federal Reserve District:*

The Board of Governors of the Federal Reserve System has adopted Amendment No. 1 of revised Regulation T, to become effective March 21, 1938.

For your information a copy of the above mentioned amendment is sent to you herewith. Additional copies will be furnished upon request.

GEORGE L. HARRISON,
President.

**BOARD OF GOVERNORS OF THE
FEDERAL RESERVE SYSTEM**

“Amendment No. 1 of Revised Regulation T—Effective March 21, 1938”

“1. Section 4(b) of said regulation is amended by striking out the word ‘and’ after the semicolon in paragraph (2) of said section, by striking out the period at the end of paragraph (3) of said section and substituting therefor a semicolon and the word ‘and’, and by adding at the end thereof a new paragraph reading as follows:

‘(4) A transaction consisting of a withdrawal of cash or registered or exempted securities from the account shall not be subject to the restrictions specified in the second paragraph of section 3(b).’

“2. The second paragraph following paragraph (2) of section 4(c) of said regulation is amended by adding the following sentence at the end thereof:

‘If any shipment of securities is incidental to the consummation of a transaction in a special cash account, the period applicable to the transaction under the foregoing provisions of this paragraph or the preceding paragraph shall be deemed to be extended by the number of days required for such shipment, except that the total extension of such period pursuant to this sentence shall not exceed 7 days for any transaction.’

“3. Paragraph (2) of section 4(f) of said regulation is amended to read as follows:

‘(2) Effect and finance, for any member of a national securities exchange who is registered and acts as an odd-lot dealer in securities on the exchange, such member’s transactions as an odd-lot dealer in such securities, or effect and finance, for any joint adventure in which the creditor participates, any transactions in any securities of an issue with respect to which all participants, or all participants other than the creditor, are registered and act on a national securities exchange as odd-lot dealers.’ ”

FEDERAL RESERVE BANK
OF NEW YORK

March 22, 1938.

*To all Member Banks in the
Second Federal Reserve District:*

It is announced with deep regret that JACQUES A. MITCHELL,
Manager of the Credit Department of the Federal Reserve Bank
of New York, died today, Tuesday March 22, 1938.

Respectfully,

GEORGE L. HARRISON,
President.