

FEDERAL RESERVE BANK  
OF NEW YORK

[Circular No. 3474]  
July 19, 1949]

AMENDMENT NO. 10 TO REGULATION T AND  
AMENDMENT NO. 11 TO REGULATION U OF THE BOARD  
OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective July 20, 1949

*To all Member Banks, Members of National Securities  
Exchanges, and Other Interested Persons, in the  
Second Federal Reserve District:*

For your information we quote below from a press statement issued by the Board of Governors of the Federal Reserve System and released for publication on July 20, 1949:

The Board of Governors has amended Regulations T and U to remove margin requirements applicable to credit for financing the functions of specialists on an exchange designated by the Board. The New York Stock Exchange has been so designated.

The Board has also amended Regulation T so as to provide that in the special cash account the 7 day period within which payment must be obtained for a so-called "when distributed" security which is to be distributed in accordance with a published plan may run from the date when the security is distributed rather than from the day of agreement to purchase it.

Enclosed are printed copies of the amendments, effective July 20, 1949.

Additional copies of this circular and of the enclosed amendments will be furnished upon request.

ALLAN SPROUL,  
*President.*

## AMENDMENT NO. 10 TO REGULATION T

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective July 20, 1949, Regulation T is hereby amended in the following respects:

1. The last sentence of section 4(c)(3) of Regulation T is amended to read as follows:

If the security when so purchased is a "when distributed" security which is to be distributed in accordance with a published plan, the period applicable to the transaction under subdivision (2) of this section 4(c) shall be 7 days after the date on which the security is so distributed.

2. Section 4(g) of Regulation T is amended to read as follows:

(g) **Specialist's account.**—In a special account designated as a specialist's account, a creditor may effect and finance, for any member of a national securities exchange who is registered and acts as a specialist in securities on the exchange, such member's transactions as a specialist 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 specialists. Such specialist's account shall be subject to the same conditions to which it would be subject if it were a general account except that if the specialist's exchange, in addition to the other requirements applicable to specialists, is designated by the Board of Governors of the Federal Reserve System as requiring reports suitable for supplying current information regarding specialists' use of credit pursuant to this section 4(g), the requirements of section 6(b) regarding joint adventures shall not apply to such account and the maximum loan value of a registered security in such account shall be as determined by the creditor in good faith.

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## AMENDMENT NO. 11 TO REGULATION U

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective July 20, 1949, section 3(o) of Regulation U is hereby amended to read as follows:

(o) In the case of a loan to a member of a national securities exchange who is registered and acts as a specialist in securities on the exchange for the purpose of financing such member's transactions as a specialist in such securities, the maximum loan value of any stock shall be as determined by the bank in good faith provided that the specialist's exchange, in addition to other requirements applicable to specialists, is designated by the Board of Governors of the Federal Reserve System as requiring reports suitable for supplying current information regarding specialists' use of credit pursuant to this section.

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**FEDERAL RESERVE BANK  
OF NEW YORK**

July 19, 1949

**AMENDMENT NO. 11 TO REGULATION U OF THE BOARD  
OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM**

**Effective July 20, 1949**

*To Nonmember Banks, and Other Interested Persons,  
in the Second Federal Reserve District:*

For your information we quote below from a press statement issued by the Board of Governors of the Federal Reserve System and released for publication on July 20, 1949:

The Board of Governors has amended Regulations T and U to remove margin requirements applicable to credit for financing the functions of specialists on an exchange designated by the Board. The New York Stock Exchange has been so designated.

The Board has also amended Regulation T so as to provide that in the special cash account the 7 day period within which payment must be obtained for a so-called "when distributed" security which is to be distributed in accordance with a published plan may run from the date when the security is distributed rather than from the day of agreement to purchase it.

Enclosed is a printed copy of Amendment No. 11 to Regulation U, effective July 20, 1949.

Additional copies of this letter and of the enclosed amendment will be furnished upon request.

ALLAN SPROUL,  
*President.*

## AMENDMENT NO. 11 TO REGULATION U

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective July 20, 1949, section 3(o) of Regulation U is hereby amended to read as follows:

(o) In the case of a loan to a member of a national securities exchange who is registered and acts as a specialist in securities on the exchange for the purpose of financing such member's transactions as a specialist in such securities, the maximum loan value of any stock shall be as determined by the bank in good faith provided that the specialist's exchange, in addition to other requirements applicable to specialists, is designated by the Board of Governors of the Federal Reserve System as requiring reports suitable for supplying current information regarding specialists' use of credit pursuant to this section.

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