

**FEDERAL RESERVE BANK
OF NEW YORK**

[Circular No. **4332**
April 26, 1956]

**AMENDMENT NO. 12 TO REGULATION T OF THE BOARD
OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM**

*To Brokers and Dealers in Securities, Members of National Securities
Exchanges, and Other Interested Persons, in the
Second Federal Reserve District:*

The Board of Governors of the Federal Reserve System has adopted Amendment No. 12 to Regulation T. Following is the text of the statement issued by the Board of Governors relating to the amendment, and released for publication April 26, 1956:

The Board of Governors of the Federal Reserve System has adopted a technical amendment to its Regulation T, the margin regulation applicable to brokers and dealers. The amendment, which becomes effective May 1, 1956, is attached.

The amendment changes the maximum period allowed for a broker to obtain margin in a margin account from three full business days to four. It is designed to simplify mechanical operating problems of brokers in the light of current mail schedules and brokers' machine bookkeeping methods. However, the regulation continues to require that the broker in all cases obtain the necessary deposit of margin "as promptly as possible"; and the new four-day period, like the previous three-day period, merely states an outside limit which is to be used by the broker only to the extent that it is not possible for him to obtain the margin in less time.

A printed copy of Amendment No. 12 to Regulation T is enclosed; additional copies may be obtained upon request.

ALLAN SPROUL,
President.

AMENDMENT NO. 12 TO REGULATION T

ISSUED BY THE BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

Effective May 1, 1956, Regulation T is hereby amended (1) by striking out the words "three full business days" in subsection (b) of section 3 and substituting therefor the words "four full business days"; (2) by striking out the words "three-day period" wherever they appear in subsections (e) and (f) of section 3 and substituting therefor the words "four-day period"; and (3) by striking out the words "or 'three-day riding'" in the footnote to subsection (e) of section 3.

PRINTED IN NEW YORK