

FEDERAL RESERVE BANK  
OF NEW YORK

[Circular No. 6162]  
May 7, 1968]

MARGIN REGULATIONS  
Deletion of Certain Agency Provisions

*To All Banks, Members of National Securities Exchanges,  
and Others Interested, in the Second Federal Reserve District:*

Following is the text of a statement issued today by the Board of Governors of the Federal Reserve System:

The Board of Governors of the Federal Reserve System announced today the deletion from its margin regulations of certain provisions, previously scheduled to become effective on May 17, which would have applied to banks, brokers, and other lenders when they act as agents for others who are in the business of lending against registered equity securities.

The action, which deleted sections 207.4(f), 220.7(f), and 221.3(u) of Regulations G, T, and U, removes the requirement that banks, brokers, and other lenders obtain assurances from those customers for whom they act as agent in connection with certain securities transactions to the effect that these transactions are not in violation or evasion of the regulations.

The provisions were deleted because of the possibility that they might give rise to disproportionate operational problems, particularly with regard to transactions involving foreign principals. However, in light of the potential for evasion of the regulations through agency activities, the Board will keep this area under continuing surveillance.

ALFRED HAYES,  
*President.*