

FEDERAL RESERVE BANK
OF NEW YORK

Circular No. 6721
April 27, 1971

EFFECTIVE DATE OF MARGIN REQUIREMENTS FOR BORROWERS

*To All Persons Extending Securities Credit
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 that it will specify in regulations to be issued later this year the effective date of the amendment to the Securities Exchange Act of 1934 contained in Title III of Public Law 91-508 adopted by Congress last year.

That title, upon its effective date, will place the burden of compliance with margin regulations on the borrower as well as the lender in both foreign and domestic securities transactions. Under the Act, Title III is to go into effect either on May 1 or on any date after that specified by the Board in regulations — but in no case later than December 1, 1971.

A copy of the Board's notice, to be published in the Federal Register, is printed below.

Alfred Hayes,
President.

FEDERAL RESERVE SYSTEM
[12 CFR Parts 207, 220, 221]
(Regs. G, T, and U)

MARGIN REQUIREMENTS
ON SECURITIES TRANSACTIONS
Effective Date of Requirements
as to Borrowers

Pursuant to the authority contained in

section 401(c), Title IV, of Public Law 91-508, 84 Stat. 1125, the amendments made by Title III of that legislation shall become effective on a date to be specified in regulations to be issued hereafter by the Board of Governors. That date, as prescribed in section 401(c), shall be not later than December 1, 1971.