

FEDERAL RESERVE BANK
OF NEW YORK

[Circular No. 6992]
August 24, 1972

MARGIN REGULATIONS G, T, AND U

Effective Date of Proposed Amendments on Loans to Provide
Capital to Broker-Dealer Firms Postponed to December 1, 1972

To All Persons Extending Securities Credit
in the Second Federal Reserve District:

Following is the text of a statement issued August 23 by the Board of Governors of the Federal Reserve System:

The Board of Governors of the Federal Reserve System today postponed until December 1, 1972, the effective date of conditions as set forth in proposed regulatory amendments under which credit may be obtained without regard to initial margin requirements for the purpose of providing capital to broker-dealer firms.

On July 9, 1971, the Board issued in revised form proposed amendments to margin Regulations G, T, and U setting forth these conditions.

The text of the revised proposals referred to in the above statement is contained in our Circular No. 6764, which was sent to you on July 19, 1971.

Printed below is the text of the notice of postponement filed for publication in the *Federal Register*.

ALFRED HAYES,
President.

(Regs. G, T, and U)
Notice postponing effective date of
proposed amendments in regard to Credit
to Contribute Capital to Brokers and Dealers

1. Pursuant to the authority contained in the Securities Exchange Act of 1934 (15 U.S.C. 78g), the Board of Governors, on July 9, 1971 (36 Federal Register 13218), published revisions to its proposals to amend Parts 207, 220, and 221 (Regulations G, T, and U), to become effective October 1, 1971, but postponed to September 1, 1972 by Notice (37 Federal Register 4968).

2. In light of developments with respect to the capital rules applicable to brokers and dealers, and continuing studies by other regulatory bodies, the Board hereby announces that it will postpone the proposed effective date to December 1, 1972.

3. As a result of the postponement of the proposed

effective date, the proposed changes to Regulations G, T, and U would apply to credit extended by banks, brokers or dealers, and persons subject to Regulation G after December 1, 1972 and to renewals after such date of credit extended by banks after

(i) April 16, 1971 in the case of credit extended to a customer for the purpose of making a loan or contribution of capital to a broker or dealer subject to Part 220 (Regulation T),

(ii) July 9, 1971 in the case of credit extended directly to a broker or dealer.

By order of the Board of Governors, August 22, 1972.