

**FEDERAL RESERVE BANK  
OF NEW YORK**

Circular No. 9662  
March 30, 1984

**REVISION AND SIMPLIFICATION OF REGULATION T  
Deferral of Effective Date to June 30, 1984**

*To All Banks, Brokers and Dealers, and Persons Extending  
Securities Credit in the Second Federal Reserve District:*

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

The Federal Reserve Board has announced that it is deferring the effective date for compliance with the completely revised Regulation T--Credit by Brokers and Dealers--to June 30, 1984.

The Board said it deferred the effective date of the completely revised regulation in response to requests by broker-dealers encountering operational problems in conforming their computer systems to the requirements of the revised regulation. The effective date had previously been deferred from November 21, 1983 to March 31, 1984.

The revised regulation governing credit extended by brokers and dealers was adopted by the Board May 16, 1983.

Enclosed is a copy of the Board's order extending the effective date of the regulation. The revised Regulation T was incorporated into the Board's pamphlet on "Securities Credit Transactions," which was sent to those who maintain complete sets of regulations on March 1.

Questions regarding this matter may be directed to our Regulations Division (Tel. No. 212-791-5914).

ANTHONY M. SOLOMON,  
*President.*

Federal Reserve System

Regulation T

12 CFR Part 220

[Docket No. R-0389]

Credit by Brokers and Dealers

Complete Revision and Simplification of Regulation T  
Deferral of Effective Date

AGENCY: Board of Governors of the Federal Reserve System.

ACTION: Deferral of Effective Date.

SUMMARY: The Board is extending, until June 30, 1984, the effective date for compliance with the completely revised Regulation T (governing credit extended by brokers and dealers), which was adopted by the Board on May 16, 1983 (48 FR 23161). The effective date was deferred once before to March 31, 1984 in light of unforeseen operational problems encountered by broker-dealers in conforming their computer systems to the requirements of the revised regulation (48 Fed. Reg. 51768). The Board has been apprised that not all broker-dealers will be able to resolve such problems by March 31, 1984. It is, therefore, deferring until June 30, 1984, the effective date of the newly revised Regulation T.

DATE: The effective date for the revised Regulation T (12 CFR Part 220) is deferred until June 30, 1984.

FOR FURTHER INFORMATION CONTACT: Robert Lord, Attorney, Division of Banking Supervision and Regulation, (202) 452-2781.

SUPPLEMENTARY INFORMATION: On May 16, 1983 the Board adopted a completely revised Regulation T, governing credit extended by brokers and dealers (48 FR 23161, May 24, 1983). The new regulation was to become effective on

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(Over)



November 21, 1983 or any earlier date after June 20, 1983, at the option of the creditor. Subsequent to the adoption of revised Regulation T, however, several major broker-dealers informed the Board that due to unforeseen difficulties in programing their computer systems, they would need more time than originally expected to conform their accounts to the requirements of the new regulation. In requesting a deferred effective date, broker-dealers pointed to, among other things, the special temporary computer programs which had to be developed in order to provide support for the AT&T divestiture transactions. The broker-dealers have stated that an enormous amount of program and systems modifications are needed to adequately support the highly complex cash and margin transactions in the stock of AT&T and the seven new regional companies formed as a result of the divestiture, and for transactions in AT&T options. Because of these operational problems, the effective date of the newly-revised Regulation T was deferred until March 31, 1984 (48 Fed. Reg. 51768 November 14, 1983).

The Board has recently been apprised that not all broker-dealers will be able to adopt their computer systems to the newly revised Regulation by March 31, 1984. Since a significant number of customer accounts will be affected by this inability to comply with the Regulation by March 31, 1984, the Board hereby defers the effective date of the regulation to June 30, 1984. Although the effective date has been deferred to June 30, the Board expects creditors make a good faith effort to comply with the new regulation as soon after March 31, 1984 as possible.

List of Subjects in 12 CFR Part 220

Banks, Banking, Brokers, Credit, Federal Reserve System, Margin, Margin requirements, Investments, Reporting requirements, Securities.

By order of the Secretary of the Board of Governors, acting under delegated authority, March 23, 1984.