

FEDERAL RESERVE BANK  
OF NEW YORK

Circular No. 7693  
August 22, 1975

MARGIN REGULATIONS

Withdrawal of Proposed Amendments to Regulations G, T, and U

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

The Board of Governors of the Federal Reserve System has withdrawn proposals to amend its margin Regulations G and U, with respect to "clearance" transactions, and to amend margin Regulation T to shorten the time allowed for payment against delivery transactions in securities from 35 days to 15 days. Printed below is the text of the Board of Governors' order in this matter.

PAUL A. VOLCKER,  
President.

[Regs. G, T, and U]

SECURITIES CREDIT TRANSACTIONS

Withdrawal of Notices of Proposed Rulemaking

[Regs. G & U]

Notice is hereby given that the Board of Governors withdraws notices (36 F. R. 14032 and 14035) published in the *Federal Register* on July 29, 1971, on which comments were solicited, which proposed a new paragraph (1) of § 207.1 of Regulation G and proposed an amendment of § 221.1(a) of Regulation U.

The proposals were intended to prevent a person subject to the registration requirement of § 207.1(a) of Regulation G, or a bank subject to Regulation U, from providing "clearance" for any customer for securities purchased through a broker or dealer unless a deposit of the purchase price with the lender by the customer is made within seven full business days, and in any event, before delivery to any other person; or in case of sales, the lender promptly receives from the customer the security sold and does not accept payment for a security sold until he has received the security from the customer.

After consideration of the comments received, which reflected difficulty in implementing certain provisions of the proposals, and in the interest of allowing time for additional study and evaluation of the proposals in light of the comprehensive system of clearance and settlement contemplated by the Securities Acts Amendments of 1975 (P.L. 94-29), the Board has determined that the rulemaking action referred to above, should be withdrawn.

In view of the foregoing, the proposals published in the *Federal Register* (36 F. R. 14032 and 14035) on July 29, 1971 are hereby withdrawn.

By order of the Board of Governors, August 13,  
1975.

[Reg. T]

Notice is hereby given that the Board of Governors withdraws a notice (37 F. R. 25547) published in the *Federal Register* on December 1, 1972, on which comments were solicited which proposed an amendment to § 220.4(c)(5) of Regulation T. The proposed amendment would have shortened the time allowed for payment against delivery transactions in securities from 35 days to 15 days.

A number of comments were received in response to the notice; all of them either opposed the amendment or suggested substantial change. Many commentators were in accord with the purpose of the proposed amendment, which was to speed up the consummation of securities transactions, but suggested that its enactment would create undue hardship unless integrated with a comprehensive system involving all facets of the settlement process. In view of the enactment of the Securities Acts Amendments of 1975 (P. L. No. 94-29) which is intended to facilitate the development of such a comprehensive system, the Board has determined that the proposed rulemaking action is not appropriate at the present time and the proposal, therefore, should be withdrawn.

In view of the foregoing, the proposal published in the *Federal Register* (37 F. R. 25547) on December 1, 1972, is hereby withdrawn.

By order of the Board of Governors, August 13,  
1975.