

F E D E R A L R E S E R V E B O A R D

STATEMENT FOR THE PRESS

For immediate release.

October 13, 1934.

TRANSACTIONS WITHIN THE UNITED STATES
FOR CUSTOMERS OF FOREIGN BRANCHES.

RULING NO. 24 INTERPRETING REGULATION T. In response to inquiries as to whether particular transactions come within the provisions of Regulation T and the Securities Exchange Act of 1934 in view of Section 8(h) of the Regulation and Section 30(b) of the Act, the Federal Reserve Board has expressed the following opinions:

When a creditor with a foreign branch office which is carrying securities in a foreign country for a foreign customer executes within the United States an order for the purchase of a registered security for such foreign customer, such transaction is subject to provisions of Regulation T and is not excepted therefrom by Section 8(h) thereof.

A creditor borrowing in the United States on any registered security in the ordinary course of business as a broker or dealer must comply with the provisions of Regulation T and of the Act with respect to such borrowing, regardless of whether or not the security is held for the account of a foreign customer.