

X-9010

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.

November 2, 1934.

## CASH TRANSACTIONS IN UNREGISTERED SECURITIES.

Ruling No. 34 interpreting Regulation T. The Federal Reserve Board has been requested to reconsider its rulings numbered 16 and 27 interpreting Regulation T, wherein it held in effect that credit may not be extended on unregistered securities in connection with bona fide cash transactions for the limited periods and subject to the terms and conditions specified in section 6 of the regulation. On reconsideration the Board is of the opinion that extensions of credit on unregistered securities for the limited periods and subject to terms and conditions specified in section 6 of Regulation T, may be permitted when such extensions of credit are incident to bona fide cash transactions in such securities. The Board, therefore, now rules that section 6 should be interpreted as applying to bona fide cash transactions in unregistered, non-exempted securities as well as to bona fide cash transactions in registered non-exempted securities and the Board consequently revokes rulings numbered 16 and 27.