

X-9042

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.

December 7, 1934.

JURISDICTION OF BUSINESS CONDUCT COMMITTEE TO
GRANT EXTENSIONS OF TIME IN CONNECTION WITH CASH
TRANSACTIONS.

Ruling No. 40 interpreting Regulation T. In reply to several inquiries regarding extensions of time in connection with "cash transactions", the Federal Reserve Board rules that the jurisdiction of the business conduct committee or other suitable committee of a national securities exchange to grant extensions of time under section 6 of Regulation T is not confined to members of that exchange or to transactions on that exchange. Assuming the circumstances warrant an extension of time, the committee may grant such an extension of time to any member of that exchange or to any broker or dealer who transacts a business in securities through the medium of a member of that exchange. Furthermore, the committee may grant these persons such an extension of time not only in connection with transactions effected on the exchange, but also in connection with transactions not effected on the exchange. This applies to "cash transactions" in unregistered, non-exempted securities, as well as to other "cash transactions"; and it is not necessary that the transaction involve a security registered on the exchange in question, or any other registered security.