

X-9364

BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

STATEMENT FOR THE PRESS

For immediate release

November 18, 1935

INTERPRETATION OF NEW YORK STOCK
EXCHANGE MARGIN RULES FOR
"WHEN ISSUED" DEALINGS

Ruling No. 47 interpreting Regulation T. The Board of Governors of the Federal Reserve System has been asked to interpret section 3(f)(4) of Regulation T with respect to the application of the "margin rules covering 'when issued' contracts" adopted by the New York Stock Exchange on November 12, 1935.

In reply to this inquiry the Board rules that the "required margin" in sections 1(a), 1(b) and 1(c) of such rules of the exchange constitutes for members of the exchange "the amount of margin customarily required by the creditor on every future commitment in unissued securities plus any unrealized loss on each such commitment and/or minus any unrealized gain on each such commitment not exceeding the margin thereon" referred to in section 3(f)(4) of Regulation T.