



BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM
WASHINGTON

ADDRESS OFFICIAL CORRESPONDENCE
TO THE BOARD

March 17, 1938.

Dear Sir:

There is attached a copy of a ruling which will be published in the Federal Reserve Bulletin regarding "Time When Guarantee Is Filed With Secretary of Exchange".

Certain Regulation T rulings have been forwarded to you in the past with advice that they would be published in the Federal Reserve Bulletin and that you might send copies to national securities exchanges and inform them of the fact that the rulings would appear in the Bulletin. It was found that such rulings were published in the newspapers prior to their appearance in the Bulletin, although they had not been definitely released to the press. It has seemed advisable, therefore, that when a ruling is to receive such distribution, it be prepared as a statement for the press, and that an appropriate date of release be specified in order to permit sufficient time for the statement to reach all Federal Reserve banks prior to such date.

Accordingly, it will be noted that the attached ruling is in the form of a statement for the press which, however, is not to be released until the time specified on the statement.

Very truly yours,

L. P. Bethea,
Assistant Secretary.

Inclosure.

TO PRESIDENTS OF ALL FEDERAL RESERVE BANKS

BOARD OF GOVERNORS
OF THE
FEDERAL RESERVE SYSTEM

STATEMENT FOR THE PRESS

For release in morning papers,
Monday, March 21, 1938.

The following ruling will appear in the Federal Reserve Bulletin.

Time When Guarantee Is Filed With
Secretary Of Exchange

Under section 6(c)(2) of Regulation T, one of the requirements for a guarantee being given effect for the purposes of the regulation is that "a duplicate original of the guarantee has been filed with the secretary of a national securities exchange of which the creditor is a member or through which his transactions are effected".

The Board recently considered a case in which a creditor had received a guarantee that satisfied all other requirements for its effectiveness under the regulation, but the creditor's office was located at such a distance from an appropriate national securities exchange that it would require several days for the duplicate original to reach the secretary of the exchange by mail. The question presented was whether in such circumstances, if the creditor mailed the duplicate original to the secretary of the exchange and also advised the secretary of these facts by telegraph, the creditor might thereupon treat the guarantee as having been appropriately filed, instead of allowing time for the duplicate original to reach its destination.

It is recognized that filing requirements of other statutes or regulations frequently are held not to be complied with until the document in question has been received in the office of the person with whom

it is to be filed. The Board expressed the opinion, however, that in view of the purposes of this requirement in Regulation T it would be proper in a case such as that described to treat the duplicate original of the guarantee as having been filed with the secretary of the exchange as of the time when the duplicate original has been mailed to him and he has been advised by telegraph.