

Non-Negotiable Certificates Of Deposit Issued By A Bank

Non-negotiable certificates of deposits issued by a bank, with the only restriction relative to early withdrawal being the forfeiture of interest, amount to cash deposits and are not subject to haircuts. However, for valuation purposes, the amount of interest subject to forfeiture must be deducted from the carrying value to arrive at allowable asset value.

SEC Staff of DMR to NASD, September 1988