

# Interpretation Memo

Member Firm Regulation

**NYSE**

New York  
Stock Exchange, Inc.  
55 Water Street  
New York, NY 10041

Number 86-8  
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Please Route to Financial and Operations Officer/Partner and  
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To: Members, Member Organizations and Handbook Subscribers  
Subject: Update of Interpretation Handbook for SEC Rule 15c3-1  
and 15c3-3

The accompanying handbook material pages have been  
updated to reflect the following interpretations:

<u>Page</u>	<u>SEC Rule 15c3-1 Interpretation</u>	<u>Subject</u>
173	(c)(2)(iv)(B)/021	Advances to customers collateralized by uncertificated mutual funds may be a perfected security interest.
221	(c)(2)((vi)(B)(2)(ix)/02	Municipal securities valuation under the presumed marketability method.
221	(c)(2)(vi)(B)(2)(ix)/03	Haircuts required on municipal put bonds.

- 291 (c)(11)(i)/03 Limited marketability may be established under certain conditions from pink sheet BW-OW indications.
- 292 (c)(11)(ii)/011 Value to be included when "ready market" is based on collateral value of securities collateralizing a bank loan.
- 457 (App. C) (b)(2)/03 Flow through benefit may not pass from a broker/dealer subsidiary to a broker/dealer parent if the parent has made a subordinated loan to the subsidiary.
- SEC Rule 15c3-3  
Interpretation
- 512 (a)(6)/012 Offshore deposits (Eurodollars, etc.) whether representing demand deposits, time deposits or certificates of deposit are not good for special reserve bank account deposits under(e).
- 521 (c)(1)/04 Uncertificated mutual fund shares carried by a fund or its custodian bank may be considered a good control location under certain conditions.
- 522 (c)(1)/05 Reference to SEC Rule 15c3-1(c)(2)(iv)(B)/021 - Uncertificated mutual fund shares collateralized advances to customers.
- 523 (c)(5)/01 Federal Chartered Savings and Loan Association not a good control location.

<u>Page</u>	<u>SEC Rule 15c3-3</u> <u>Interpretation</u>	
528	(c)(7)/05	Uncertificated limited partnership units may be treated as a good control location under certain conditions.
591	(Exhibit A) (Item 1)/09	TEFRA accounts payable to be included in Item 1 of the formula.
600	(Exhibit A) (Item 2)/011	Amount to be included when customers' securities are lodged in a firm bank loan.

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