

Interpretation Memo

NYSE

New York
Stock Exchange, Inc.

Member Firm Regulation

20 Broad Street
New York, NY 10005

Number 88-1
February 29, 1988

Please Route to Financial and Operations Officer/Partner
and Compliance and Margin Departments

TO: Members, Member Organizations and Handbook Subscribers
SUBJECT: Update of Interpretation Handbook for SEC Rule 15c3-3

The accompanying handbook material pages are being distributed as replacements for existing pages 498 through 564. Included are several interpretations which have not been previously available.

These new interpretations should be carefully reviewed before filing in the manual.

<u>Page</u>	<u>SEC Rule 15c3-3 Interpretation</u>	<u>Subject</u>
505	(a)(1)/04	Differing definition of "customer" at SEC Rules 8c-1 and 15c3-3.
508	(a)(6)/01	GNMA participation certificates and mortgage-backed securities deemed "qualified security".
510	(a)(6)/02	Certain government-sponsored and international institution securities which are not "qualified securities" are listed.
513	(b)(1)/02	Possession or control is not accomplished by segregation of a security which is convertible into it.
514	(b)(2)/021	"Same day turnaround" premise is not available for return of securities borrowed, securities loans or recalls from bank or stock loan.

<u>Page</u>	<u>SEC Rule 15c3-3 Interpretation</u>	<u>Subject</u>
516	(b) (3) (iii) / 01	Securities borrowed may also be collateralized by securities issued or guaranteed by the U. S. or its agencies, negotiable bank certificates of deposit and bankers acceptances issued by banking institutions in the U.S. and payable in the U.S.
521	(c) (1) / 06	A "long free" position with NSCC under its Stock Borrow Program is considered in possession or control under certain conditions.
522	(c) (1) / 07	A "long free" position with NSCC under its Anticipated Delivery Program is considered in possession or control under certain conditions.
523	(c) (3) / 01	A position report prepared by the Pacific Securities Depository Trust Company serves as a written statement for a bona fide item of transfer.
523	(c) (3) / 02	A receipt signed by the Vancouver Stock Exchange for items redelivered to Canadian transfer agents is not a bona fide transfer item.
525	(c) (5) / 02	A state chartered credit union is not a good control location.
530	(c) (7) / 06	Guidelines for the bulk transfer of accounts via omnibus account.
543	(e) (1) / 02	A separate reserve bank account may be established to deposit IRA and ERISA contributions.
547	(e) (3) / 04	When a deposit requirement is established it must be made.
550	(g) / 02	Qualified securities may be withdrawn without computation when a simultaneous deposit of equal amount is made.

<u>Page</u>	<u>SEC Rule 15c3-3 Interpretation</u>	<u>Subject</u>
550	(g)/021	No computation is required to remit funds to a specific mutual fund sponsor when a separate reserve bank account is maintained as stipulated.
550	(g)/03	No computation is required to remit funds for IRA and ERISA investments when a separate reserve bank account is maintained as stipulated.
551	(g)/04	Excess funds may be withdrawn from a reserve bank account no later than one hour after the opening of banking business on the second day following the computation.
556	(k)(2)(i)/02	Overnight balances representing checks drawn on a "Special Account for the Exclusive Benefit of Customers of (name of the broker or dealer)" may under limited circumstances be invested in 14 day certificates of deposit.
557	(k)(2)(ii)/01, /011, /012, /013, and /014	Limited conditions under which an introducing bank affiliated broker-dealer may direct transfer of customer funds, write checks on an account set up by the clearing broker-dealer, receive funds and securities for redelivery and participate in the sale of registered investment company shares.

Filing Instructions: Remove old pages 498 through 564 and insert new pages 498 through 564.

Insert Content pages i through vi prior to new page 501.