

Interpretation Memo

Enforcement and
Regulatory Standards



New York
Stock Exchange, Inc.
20 Broad Street
New York, NY 10005

Number 88-14
August 18, 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 15c3-1

The accompanying handbook material pages are being distributed as replacements for existing pages 139 through 201. 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 15c3-1 Interpretation</u>	<u>Subject</u>
156	(c) (2) (iv) (A) /01	50% of certain capitalized lease liabilities may be treated as adequately secured for a two year period.
164	(c) (2) (iv) (B) /10	Modification of prior interpretation (old item 5 deleted)
165	(c) (2) (iv) (B) /11	Deficits in introduced accounts to be deducted by carrying <u>and</u> introducing broker-dealers.
166	(c) (2) (iv) (B) /12	Employee stock Stock option exercise requires deduction and/or buy-in when security not received within 15 business days.
170	(c) (2) (iv) (C) /09	Modification of prior interpretation regarding deductibility of tax shelter concessions receivable.
171	(c) (2) (iv) (C) /11/12	Commissions receivable from a domestic broker-dealer parent are good assets for 30 days while those due from a foreign broker-dealer parent must be deducted immediately.

<u>Page</u>	<u>SEC Rule 15c3-1 Interpretation</u>	<u>Subject</u>
172	(c)(2)(iv)(C)/13	Commissions receivable from savings and loan and other thrift institutions must be deducted immediately (they are not registered brokers or dealers).
172	(c)(2)(iv)(C)/14	Floor brokerage receivable is not deducted for 30 days from the month end accrual date when it is billed promptly.
175	(c)(2)(iv)(E)/011	Interpretation regarding non-deductibility of syndicate profits receivable.
176	(c)(2)(iv)(E)/02	Modification of prior interpretation regarding non-deductibility of clearing deposits maintained with broker-dealers.
177	(c)(2)(iv)(E)/05	Credit balances held by a correspondent broker-dealer for not more than 5 business days after settlement date of a sale, or deposits made before settlement day of a purchase, need not be deducted.
177	(c)(2)(iv)(E)/06	Eurodollar and other offshore demand deposits, time deposits and CD's have no value unless deposited with or issued by by a major money market financial institution.
178	(c)(2)(iv)(E)/07	Fees receivable offset by referral fees payable need not be deducted under certain special conditions.
178	(c)(2)(iv)(E)/08	Market value of customer name unendorsed securities that are 10 business days past settlement date shall be deducted.
179	(c)(2)(iv)(E)/09	A receivable secured by collateral not in possession or control is to be deducted.
179	(c)(2)(iv)(E)/10	An asset secured by a letter of credit is to be deducted.
179	(c)(2)(iv)(E)/11	Haircut alternative to buy-in of aged foreign issued foreign settled security items.

Remove Pages

Contents i - vi
101 - 102
139 - 201

Add Pages

Contents i - vi
101 - 102
139 - 188