

Interpretation Memo

Member Firm Regulation



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

Number 89-7
June 21, 1989

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 Rules
15c3-1 and 15c3-3

SEC Rule 15c3-1

The accompanying updated Index for SEC Rule 15c3-1 should be inserted as replacements for existing pages.

Remove SEC Index pages 9001-9016 and add pages 9001-9022.

SEC Rule 15c3-3

The accompanying updated handbook pages are being distributed as replacements for existing pages. Included are several interpretations which have not been previously available and the following should be carefully reviewed before insertion into the handbook.

<u>Page & Reference</u>	<u>Subject</u>
503,(a)(1)/011	Introduced accounts of partners, principal officers, etc. of another B-D are "customers".
507,(a)(6)/03	Collateralized mortgage obligations are not "qualified securities".
511,(b)(1)/011	An inability to buy-in requires borrowing.
515,(b)(3)(iii)/02	Other acceptable collateral to borrowed government securities.
516,(b)(3)(iii)/03	Requirement to amend written borrowing agreement for borrowed government securities.
516,(b)(4)	Amended text of rule added to handbook.
516,(b)(4)(ii)/01	Foreign control locations permitted for hold-in custody repo's of foreign securities.

529,(c)(7)/06	Revision of interpretation concerning so-called "omnibus account" for transfer of customer accounts.
541,(d)(2)/02	Initiation date of fail to receive buy-in.
541,(d)(2)/021	Accomplishment of fail to receive buy-in.
545,(e)(1)/04	Borrowed "qualified securities" may not be deposited into a reserve bank account.
547,(e)(3)/01	Weekly computation requirement clarified.
556,(k)(2)(i)/03	The use of an interest bearing money market deposit account is permitted.

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