

Interpretation Memo

Member Firm Regulation

NYSE

New York
Stock Exchange, Inc.

20 Broad Street
New York, NY 10005

Number 92-12
December 11, 1992

PLEASE ROUTE TO FINANCIAL AND OPERATIONS OFFICER/PARTNER
AND COMPLIANCE DEPARTMENT

TO: MEMBER, MEMBER ORGANIZATIONS AND HANDBOOK SUBSCRIBERS

SUBJECT: UPDATE OF INTERPRETATION HANDBOOK - SEA RULE 15c3-1

The accompanying updated handbook pages are being distributed as replacements for existing pages. This update includes interpretations related to three recent no-action letters issued by the SEC.

READY MARKET-CERTAIN DEBT SECURITIES AND MONEY MARKET INSTRUMENTS:
Two no-action letters were the subject of the following Interpretation Memos:

Interpretation Memo 92-9 - SEC Division of Market Regulation,
letter to the Capital Committee of the Securities Industry
Association dated June 12, 1992.

This no-action letter clarifies the haircut treatment of certain debt securities and preferred stock issued by both domestic and non-domestic issuers. The letter supersedes all previous letters issued by the SEC on the subject, including the SEC Letter to SIA dated December 29, 1975 ("1975 Letter"). All references to the 1975 Letter and related interpretations have been deleted from the handbook or restated as provided in the letter.

Interpretation Memo 92-11 - SEC Division of Market Regulation
letter to the Securities Industry Association dated August 21,
1992.

This no-action letter clarifies the haircut treatment of certain negotiable certificates of deposit, negotiable bankers acceptances and bills of exchange. The letter also addresses the treatment of negotiable certificates of deposit and bank notes which are sold in Puerto Rico for the Section 936 market.

READY MARKET - MEXICAN SECURITIES:

The SEC issued a no-action letter to Comision Nacional de Valores, dated August 28, 1992. The SEC no-action position allows broker-dealers to treat equities listed on the Mexican Stock Exchange (MSE) that are included in the FT-Actuaries Mexico Index ("FT-A Mexico Index") as having a ready market.

The following interpretations should be reviewed carefully before insertion into the handbook.

<u>Page & Reference</u>	<u>Subject</u>
184, (c)(2)(iv)(F)(3) (ii)(C)/02	Accrued Coupon Interest
193, (c)(2)(vi)/09	Foreign Denominated Securities Positions
210, (c)(2)(vi)(F)/07	Secondary Mortgage Market Enhancement Act (SMMEA) Debt Securities
214, (c)(2)(vi)(J)/03	Foreign Equity Securities - Certain Issues
215, (c)(2)(vi)(L)/01	Foreign Securities - Demonstrated Marketability
225, 226, (c)(2)(vii)/08	Marketability of Certain Foreign and Domestic Securities
227-231, (c)(2)(vii)/09	Marketability of Money Market Instruments
256, (c)(2)(xii)/07	Maintenance Requirement for Proprietary Accounts Carried for Joint Back Office Broker-Dealers NOTE: This Interpretation is effective January 31, 1993.
265, (c)(11)(i)/02	Foreign Securities
266, (c)(11)(i)/021	Mexican Stock Exchange Securities (MSE)

The following interpretations have been revised because of references to the 1975 letter. They now only contain a reference to the applicable interpretations on foreign securities haircuts in c)(2)(vii)/08 or /09:

206, (c)(2)(vi)(E)/05	Foreign Bankers Acceptances and Bankers Deposit Notes
209, (c)(2)(vi)(F)/04	Foreign Sovereign National Government Debt Securities
210, (c)(2)(vi)(F)/05	Canadian Province or Municipal Debt Securities
210, (c)(2)(vi)(F)/06	Foreign Non-Convertible Debt Securities
211, (c)(2)(vi)(G)/02	Foreign Convertible Debt Securities
212, (c)(2)(vi)(H)/01	Foreign Debt and Preferred Equity Securities

Remove Pages

181 - 275-3

Add Pages

181 - 276

Questions regarding this interpretation memo should be directed to your Finance Coordinator.

RETAIN ALL INTERPRETATION/INFORMATION MEMOS FOR FUTURE REFERENCE