

Interpretation Memo

Member Firm Regulation

NYSE

New York
Stock Exchange, Inc.

20 Broad Street
New York, NY 10005

Number 95-3
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**PLEASE ROUTE TO FINANCIAL AND OPERATIONS OFFICER/PARTNER
AND COMPLIANCE DEPARTMENT**

TO: MEMBER, MEMBER ORGANIZATIONS AND HANDBOOK SUBSCRIBERS

SUBJECT: UPDATE OF INTERPRETATION HANDBOOK -SEA RULES 15C3-1 AND
15C3-3

The accompanying updated Interpretation Handbook pages are being distributed as replacements for existing pages. The update includes clarification of existing rules as well as new interpretations. These interpretations should be carefully reviewed before insertion into the handbook.

The following is a list of new interpretations which are being added:

SEA Rule 15c3-1

<u>Page & Reference</u>	<u>Subject</u>
58, (a) (2) (iii) /011	Dealers That Operate Pursuant to 15c3-1(a) (6)
176, (c) (2) (vi) /12	Bona Fide Arbitrage
316, Appendix A (a) (1) /11	Risk Based Option Haircuts
333, Appendix A (c) (3) /03	Convertible Bonds/Short Calls

SEA Rule 15c3-3

493, (b) (2) /031	ACATS Deliveries
494, (b) (2) /033	Segregation Management Allocation System
559, (k) (2) (ii) /015	Definition of "Promptly Transmit"

559, (k) (2) (ii) /016 Self-Clearing of Commodities
 Transactions

The following is a listing of interpretations which were revised for clarification, editorial and/or format changes:

SEA Rule 15c3-1

236, (c) (2) (vii) /10 Marketability of Nonconvertible Debt
 Securities Which Are Not Highly
 Rated

237, (c) (2) (vii) /101 Portfolio Concentration Charge-
 Sample Computations

SEA Rule 15c3-3

527, (d) (1) /01 Margin Section

605, Exhibit A-NOTE E (6) /01 Netting of Same Customer's Balances

670, Exhibit A -Item 12/081 Fail to Deliver vs All Other
 Physical Control Location

The following is a listing of interpretations which are being added or revised as a result of rule amendments:

SEA Rule 15c3-3

541, (d) (2) /04 Buy-In of Mortgage Backed Securities

541, (d) (2) /05 Extensions of Time

542, (d) (2) /06 Recaps by NSCC

542, (d) (3) /01 Extensions of Time

554, (h) /01 Extensions of Time

561, (m) /02 Government Securities

567, (n) /01 Extensions under (d) (2), (d) (3) and (h)

568, (n) /04 Date Extension Due

568, (n) /05 Buy-Ins

569, (n) /07 Municipal Securities under Par.(d)

569, (n) /08 Extensions under (d) (2) - Fail to Receive

569, (n)/09	Extensions under (d)(3)-Dividends, Stock Splits
570, (n)/10	New Deficits under (d)(2) and (d)(3)
570, (n)/11	Extensions under (h)- Short Security Difference
570, (n)/12	Reason for Extension under (d)(2), (d)(3) and (h)
571, (n)/121	Limits by Reason and Time Period for (d)(2), (d)(3) and (h).

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

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