

in such period has engaged in, any such sales, trade, or commerce either directly or through any branch, subsidiary, affiliate, or associated company: *Provided further*, That such application for financing must be accompanied by a statement in which are listed by name, address, and chief executive officers all branches, affiliates, subsidiaries and associated companies, foreign and domestic, in which the applicant has a controlling interest and similar information for all companies which either directly or through subsidiaries or otherwise have a controlling interest in the applicant company."

Approved July 29, 1968.

Public Law 90-437

July 29, 1968
[S. 1299]

AN ACT

To amend the Securities Exchange Act of 1934 to permit regulation of the amount of credit that may be extended and maintained with respect to securities that are not registered on a national securities exchange.

Over-the-
counter securi-
ties.
Margin require-
ments.
48 Stat. 886.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7 of the Securities Exchange Act of 1934 (15 U.S.C. 78g) is amended—

(1) by striking out "registered on a national securities exchange" in subsection (a) ;

(2) by amending subsection (c) to read as follows:

"(c) It shall be unlawful for any member of a national securities exchange or any broker or dealer, directly or indirectly, to extend or maintain credit or arrange for the extension or maintenance of credit to or for any customer—

"(1) on any security (other than an exempted security), in contravention of the rules and regulations which the Board of Governors of the Federal Reserve System shall prescribe under subsections (a) and (b) of this section ;

"(2) without collateral or on any collateral other than securities, except in accordance with such rules and regulations as the Board of Governors of the Federal Reserve System may prescribe (A) to permit under specified conditions and for a limited period any such member, broker, or dealer to maintain a credit initially extended in conformity with the rules and regulations of the Board of Governors of the Federal Reserve System, and (B) to permit the extension or maintenance of credit in cases where the extension or maintenance of credit is not for the purpose of purchasing or carrying securities or of evading or circumventing the provisions of paragraph (1) of this subsection."

(3) by striking out "registered on a national securities exchange" in the first sentence of subsection (d) and "registered on national securities exchanges" in the second sentence of that subsection.

Approved July 29, 1968.