

**FEDERAL RESERVE SYSTEM**  
**12 CFR Part 220**  
**[Regulation T]**  
**Credit by Brokers and Dealers; List of Foreign Margin Stocks**

**AGENCY:** Board of Governors of the Federal Reserve System.

**ACTION:** Final rule.

**SUMMARY:** The List of Foreign Margin Stocks (List) is composed of certain foreign equity securities that qualify as margin securities under Regulation T. The Foreign List has been published twice a year by the Board since 1999. The Board is removing all 51 stocks from the current List because they have not been recertified as required under procedures approved by the Board in 1990. The Board will publish a new List if eligible securities are identified pursuant to these listing procedures.

**EFFECTIVE DATE:** April 15, 2004.

**FOR FURTHER INFORMATION CONTACT:** Peggy Wolffrum, Financial Analyst, Division of Banking Supervision and Regulation, (202) 452-2837, or Scott Holz, Senior Counsel, Legal Division, (202) 452-2966, Board of Governors of the Federal Reserve System, Washington, D.C. 20551.

**SUPPLEMENTARY INFORMATION:** Stocks that appear on the List are by definition foreign margin stocks under Regulation T, making them also margin securities and therefore eligible for credit at brokers and dealers on the same basis as domestic margin securities. The List was last published on September 4, 2003 (68 FR 8993), and became effective September 15, 2003.

The List is composed of foreign equity securities that qualify as margin securities under Regulation T by meeting the financial requirements of § 220.11(c) and (d). In determining the qualification of particular foreign equity securities, the Board has relied on a list of proposed foreign margin stocks submitted by the New York Stock Exchange (NYSE) based on certification of the securities' eligibility by at least two NYSE members under procedures adopted by the NYSE and approved by the Board in 1990. These procedures include periodic recertification of the stocks on the List by at least two NYSE member firms.

Foreign securities may also qualify as margin securities if they are deemed by the Securities and Exchange Commission (SEC) to have a "ready market" under SEC Rule 15c3-1 (17 CFR 240.15c3-1) or a "no-action" position issued thereunder. This includes all foreign stocks in the FTSE World Index Series.

The New York Stock Exchange has informed the Board that the member firms who usually recertify the stocks on the list have declined to do so, and plan to rely on the "ready market" test instead. The Board is therefore removing the 51 stocks on the current List because it is no longer able to determine that the securities substantially meet the provisions of section 220.11(d) of Regulation T, which is necessary for the securities' continued inclusion on the List.

The Board will publish a List in the future if it receives the required information under the approved procedures to establish the qualification of specific foreign equity securities pursuant to section 220.11(c) of Regulation T, which is necessary for initial inclusion on the List.

**Public Comment**

The Board finds that the requirements of 5 U.S.C. 553 with respect to notice and public participation are unnecessary. No additional useful information would be gained by public participation, given the objective character of the criteria for continued inclusion on the Foreign List specified in § 220.11(d) of Regulation T.

**List of Subjects in 12 CFR 220**

Brokers, Credit, Margin, Margin requirements, Investments, Reporting and recordkeeping requirements, Securities.

Accordingly, pursuant to the authority of sections 7 and 23 of the Securities Exchange Act of 1934, as amended (15 U.S.C. 78g and 78w), and in accordance with 12 CFR 220.2 and 220.11, the Board is removing the following stocks from the Foreign List:

AKITA BANK, LTD.

¥50 par common

AOMORI BANK, LTD.

¥50 par common

ASATSU-DK INC.

¥50 par common

BANK OF NAGOYA, LTD.

¥50 par common

CHUDENKO CORP.

¥50 par common

CHUGOKU BANK, LTD.

¥50 par common

DAIHATSU MOTOR CO., LTD.

¥50 par common

DAINIPPON SCREEN MFG. CO., LTD.

¥50 par common

DENKI KAGAKU KOGYO

¥50 par common

EIGHTEENTH BANK, LTD.

¥50 par common

FUTABA CORP.

¥50 par common

FUTABA INDUSTRIAL CO., LTD.

¥50 par common

HIGO BANK, LTD.

¥50 par common

HITACHI SOFTWARE ENGINEERING CO., LTD.

¥50 par common

HOKKOKU BANK, LTD.

¥50 par common

HOKUETSU PAPER MILLS, LTD.

¥50 par common

IYO BANK, LTD.

¥50 par common

JAPAN AIRPORT TERMINAL CO., LTD.

¥50 par common

JUROKU BANK, LTD

¥50 par common

KAGOSHIMA BANK, LTD.

¥50 par common

KAMIGUMI CO., LTD.

¥50 par common

KATOKICHI CO., LTD.

¥50 par common

KEISEI ELECTRIC RAILWAY CO., LTD.

¥50 par common

KEIYO BANK, LTD.

¥50 par common

KOMORI CORP.

¥50 par common

KONAMI CO., LTD.

¥50 par common

MICHINOKU BANK, LTD.

¥50 par common

MUSASHINO BANK, LTD.

¥500 par common

NAMCO, LTD.

¥50 par common

NICHICON CORP.

¥50 par common

NIHON UNISYS, LTD.

¥50 par common

NISHI-NIPPON BANK, LTD.

¥50 par common

NISHI-NIPPON RAILROAD CO., LTD.

¥50 par common

NISSAN CHEMICAL INDUSTRIES, LTD.

¥50 par common

OGAKI KYORITSU BANK, LTD.

¥50 par common

Q.P. CORP.

¥50 par common

RINNAI CORPORATION

¥50 par common

SAGAMI RAILWAY CO., LTD.

¥50 par common

SAKATA SEED CORP.

¥50 par common

SANTEN PHARMACEUTICAL CO., LTD.

¥50 par common

SHIMADZU CORP.

¥50 par common

SHIMAMURA CO., LTD.

¥50 par common

SUMITOMO RUBBER INDUSTRIES, LTD.

¥50 par common

TAIYO YUDEN CO., LTD.

¥50 par common

TAKARA STANDARD CO., LTD.

¥50 par common

TOHO BANK, LTD.

¥50 par common

TOHO GAS CO., LTD.

¥50 par common

TOKYO OHKA KOGYO CO., LTD.

¥50 par common

UNI-CHARM CORP.

¥50 par common

USHIO, INC.

¥50 par common

YAMAHA MOTOR CO., LTD.

¥50 par common

By order of the Board of Governors of the Federal Reserve System, acting by its  
Director of the Division of Banking Supervision and Regulation pursuant to delegated  
authority (12 CFR 265.7(f)(10)), March 2, 2004.

Jennifer J. Johnson (signed)

**Jennifer J. Johnson,  
Secretary of the Board.**