

interim reports to shareholders in a timely and less costly manner, as such technology becomes available. The NASD believes that the proposed rule change will enhance shareholder communications in The Nasdaq Stock Market.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The NASD does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reason for so finding or (ii) as to which the self-regulatory organizations consents, the Commission will:

A. by order approve such proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to SR-NASD-

96-09 and should be submitted by April 18, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30-3(a)(12).

Jonathan G. Katz,

Secretary.

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[Release No. 34-37006; File No. SR-NASD-96-10]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by National Association of Securities Dealers, Inc. Relating to the OTC Bulletin Board® Service

March 21, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on March 13, 1996, the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the NASD. The NASD has designated this proposal as one constituting a change to a due, fee, or other charge under § 19(b)(3)(A)(ii) of the Act, which renders the rule effective upon the Commission's receipt of this filing. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change amends Part VIII of Schedule D to the NASD By-Laws.¹ The text of the proposed rule change is as follows. (Additions are italicized; deletions are bracketed.)

Part VIII—Schedule of NASD Charges for Services and Equipment

A. System Services

* * * * *

14. OTC Bulletin Board Service

The following charge shall apply to a broker-dealer that displays quotations or trading interest in the OTC Bulletin Board service:

¹ Pursuant to a new rule numbering system for the NASD Manual anticipated to be effective no later than May 1, 1996, the rule that is the subject of this proposed rule change will become Rule 7010(m). See Exchange Act Release No. 36698 (January 11, 1996) 61 FR 1419 (January 19, 1996) (order approving new rule numbering system).

Position charge—\$6.00 [\$5.00]/security/month

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, the NASD included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The NASD has prepared summaries, set forth in Sections (A), (B), and (C) below, of the most significant aspects of such statements.

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

The OTC Bulletin Board Service ("OTCBB" or "Service") is an electronic quotation medium operated by the Nasdaq Stock market, Inc. that allows eligible members to enter, update, and retrieve quote information and unpriced indications of interest for non-Nasdaq securities. The purpose of this proposed rule change is to increase the OTCBB position charge from \$5 to \$6 per market maker position per month. The fee increase will be effective as of the beginning of 1996. This fee increase is intended to recover a portion of the costs of a number of enhancements to the Service since it was first launched in 1990, as well as to recognize an increase in costs associated with the operation and regulation of the OTCBB.

Specifically, several enhancements have been in place for over two years without any increase in fees to offset development, implementation, and maintenance costs. These include ACT trade reporting; real time display of high, low, close, previous close, and volume; OTCBB symbols programmable in the Nasdaq Workstation ticker; size requirements for priced issues; the admission of certain regional exchange-listed issues; nightly removal of stale foreign equity quotes; and expedited admission of delisted Nasdaq, NYSE and Amex issues, as well as qualifying issues from other quotation mediums.

In addition, the NASD has submitted a filing with the Commission to permit the quotation of Direct Participation Program securities ("DPPs") in the OTCBB, and to require transaction reporting for these securities. This will allow for a more centralized and transparent system for the quotation of DPPs, and will provide more efficient price discovery. Costs associated with

this initiative that already have been incurred include the creation and maintenance of a DPP ticker symbol database and directory for several thousand identifiable DPP issues.

The NASD believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5)² of the Act. Section 15A(b)(5) specifies that the rules of a national securities association shall provide for the equitable allocations of reasonable dues, fees, and other charges among members, issuers, and other persons using any facility or system that the association operates or controls. The fee increase is the first since inception of the Service almost six years ago, and remains competitive with rates of the primary competitor.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The NASD does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

(C) Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

Written comments were neither solicited nor received.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective immediately pursuant to Section 19(b)(3)(A)(ii) of the Act and subparagraph (e) of Rule 19b-4 thereunder in that it constitutes a change to a due, fee, or other charge.

At any time within sixty (60) days of the filing of a proposed rule change pursuant to Section 19(b)(3)(A) of the Act, the Commission may summarily abrogate the rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule

change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. § 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to the file number in the caption above and should be submitted by April 18, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30-3(a)(12).

Jonathan G. Katz,
Secretary.

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[Release No. 34-37001; File No. SR-NSCC-96-07]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing of a Proposed Rule Change To Permit NSCC To Charge and To Collect From Members Charges Imposed by Certain Third Parties

March 21, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on March 19, 1996, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-NSCC-96-07) as described in Items I, II, and III below, which items have been prepared primarily by NSCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the proposed rule change is to expand NSCC's authority to charge and to collect from members fees imposed by third parties.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, NSCC included statements concerning the purpose of and basis for the

proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

NSCC proposes to expand its authority to charge and to collect from its members fees imposed by certain third parties. NSCC's current rules permit NSCC to charge members for fees imposed by self-regulatory organizations or other security industry organizations or entities with which NSCC has entered into agreements. The proposed modifications to NSCC's rules will permit NSCC to include on members' settlement statements charges imposed by other entities or organizations with which NSCC has entered into agreements and which provide services or equipment to members which are integral to the services provided by NSCC.

From time to time, third parties which have entered into agreements with NSCC and which provide NSCC members with certain services or equipment that facilitate access to NSCC services, request that NSCC directly bill its members for the services or equipment such third parties provide to members.³ The proposed rule change will permit such third parties to aggregate individual member charges in one invoice to NSCC and will allow NSCC in turn to include the third parties' charges to individual members on such NSCC members' settlement statements. The proposed rule will thereby enable NSCC members to consolidate their payment obligations. If a member does not consent to such charges or otherwise disputes such charges, NSCC will not fine the member for not paying to NSCC the third party's charges. In addition, NSCC will have no

² The Commission has modified the text of the statements submitted by NSCC.

³ For example, NSCC members may want to obtain computer hardware and/or software to access certain NSCC services. To facilitate such access, NSCC would make arrangements with a third party vendor to supply members with the appropriate hardware and/or software. The third party vendor would send a detailed monthly invoice directly to NSCC reflecting the individual member charge and aggregate charges for the month. NSCC would then include the appropriate charge on each member's monthly statement. NSCC would remit to the vendor within the agreed upon time period the amount that NSCC actually collected from members in connection with the vendor's charges.

² 15 U.S.C. § 78o-3.

¹ 15 U.S.C. § 78s(b)(1) (1988).