

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, 450 Fifth Street NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of DTC. All submissions should refer to File No. SR-DTC-95-23 and should be submitted by February 9, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 96-509 Filed 1-18-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36697; File No. SR-NSCC-95-16]

**Self-Regulatory Organizations;  
National Securities Clearing  
Corporation; Notice of Filing and Order  
Granting Accelerated Approval of a  
Proposed Rule Change Regarding an  
Agreement Between the National  
Securities Clearing Corporation  
("NSCC") and the New York Stock  
Exchange, Inc. and the National  
Association of Securities Dealers, Inc.  
Concerning the Provision of Financial  
and Operation Information With  
Respect to NSCC Members and  
Correspondent Broker-Dealers of Such  
Members**

January 11, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on December 11, 1995, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which items have been prepared primarily by NSCC. The Commission is publishing this notice and order to solicit comments from interested persons and to grant accelerated approval of the proposed rule change.

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

The proposed rule change relates to agreements between NSCC and the

National Association of Securities Dealers, Inc. ("NASD") and between NSCC and the New York Stock Exchange, Inc. ("NYSE") concerning the provision of financial and operational information to NSCC with respect to its members and its members' correspondent broker-dealers.

**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.<sup>2</sup>

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

NSCC has entered into agreements ("Agreements") with the NASD and with the NYSE pursuant to which the NASD and the NYSE are to provide certain information directly to NSCC.<sup>3</sup> The information to be provided will include, without limitation, financial, trading, and operational information relating to NSCC members and correspondent broker-dealers of such members. Under its rules, NSCC is entitled to obtain such information directly from its members.

The Agreements are based on NSCC's existing Rule 2 and Rule 15. NSCC Rule 2, Section 2(f) provides that each applicant seeking to become a member of NSCC shall agree in writing that its books and records shall at all times be open to inspection by the duly authorized representatives of NSCC and that NSCC shall be furnished with all such information with respect to its business and transactions as NSCC may require. Rule 15, Section 2 provides that NSCC shall have the authority to examine the financial responsibility and operational capability of any settling member. Rule 15, Section 2 further provides that in conducting such examinations NSCC may require a settling member to furnish such information, to make its books and records available, and to demonstrate the financial responsibility and

operational capability of the settling member. Rule 15 also provides that NSCC may require adequate assurances of the financial responsibility or operational capability of a settling member.

The information contemplated by NSCC Rules 2 and 15 includes information relating to correspondent broker-dealers that clear through settling members. Under these rules, NSCC also may require a settling member to obtain information on its correspondent broker-dealers and provide it to NSCC. NSCC has routinely asked for and received such information from its settling members. By having the NASD and the NYSE directly provide NSCC with information regarding its members and their correspondent broker-dealers that NSCC is entitled to obtain from its settling members under NSCC Rules 2 and 15, the Agreements will permit a more rapid integration of such information into NSCC's risk management system and will alleviate the administrative burdens on its members of providing this information.

NSCC believes the proposed rule change is consistent with Section 17A of the Act and the rules and regulations thereunder because it is intended to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions and to assure the safeguarding of securities and funds which are in the custody or control of NSCC or for which it is responsible.

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

NSCC does not believe that the rule filing will have an impact on or impose a burden on competition.

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

No written comments relating to the rule filing have been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

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

Section 17A(b)(3)(F) of the Act<sup>4</sup> requires the rules of a clearing agency be designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions and to assure the safeguarding of securities and funds which are in the custody or control of

<sup>2</sup> The Commission has modified the text of the summaries prepared by NSCC.

<sup>3</sup> Copies of the Agreements are attached as Exhibit A to NSCC's proposed rule change filed with the Commission.

<sup>4</sup> 15 U.S.C. 78q-1(b)(3)(F) (1988).

<sup>6</sup> 17 CFR 200.30-3(a)(12) (1994).

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1988).

NSCC or for which it is responsible. The Commission believes the proposed rule change is consistent with these requirements because it will allow NSCC faster and more efficient access to critical risk-based data of its members and its members' correspondent broker-dealers which should allow for more rapid integration of such information into NSCC's risk management system. Moreover, because NSCC now will have direct access to this information from the NASD and the NYSE, NSCC should be able to better monitor the activities of its members and their correspondent broker-dealers which should assist NSCC in fulfilling its obligation under Section 17A to safeguard securities and funds under NSCC's custody or control or for which it is responsible.

NSCC has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after publication of the notice of filing. The Commission finds good cause because accelerated approval will permit NSCC to receive the risk-based information regarding its members and their correspondent broker-dealers directly from the NASD and the NYSE thus enabling NSCC to include the information in its risk management system in a more timely fashion. Furthermore, because the risk-based information NSCC will receive from the NASD and the NYSE is information NSCC's members are obligated to and already do submit to NSCC, the Commission does not expect to receive any adverse comments on the proposed rule change.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submission should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549. Copies of the submissions, 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, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filings will also be available for inspection and copying at the principal

office of NSCC. All submissions should refer to the file number SR-NSCC-95-16 and should be submitted by February 9, 1996.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-NSCC-95-16) be, and hereby is, approved on an accelerated basis.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>5</sup>

Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 96-510 Filed 1-18-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36698; File No. SR-NASD-95-51]

#### **Self-Regulatory Organizations; Order Approving Proposed Rule Change by National Association of Securities Dealers, Inc. Regarding Rearranging of Rules and a New Rule Numbering System for The NASD Manual**

January 11, 1996.

On November 3, 1995, the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed a proposed rule change with the Securities and Exchange Commission ("SEC" or "Commission") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder.<sup>2</sup> The proposed rule change rearranges the current NASD Manual by renumbering the Rules of the Association.

Notice of proposed rule change, together with the substance of the proposal as initially filed, was provided by issuance of a Commission release (Securities Exchange Act Release No. 36517, November 27, 1995) and by publication in the Federal Register (60 FR 62116, December 4, 1995). No comment letters were received. This order approves the proposed rule change.

The NASD Manual currently is arranged with multiple rule sections with each section of rules subsequently indexed in various ways. This rule change is a non-substantive reorganization of the existing Rules. All Rules in the NASD Manual, including not only the current Rules of Fair Practice, but also such specialized Rules as the PORTAL Rules, Nasdaq Rules, Code of Arbitration Procedure, and so forth, have been numbered consecutively throughout the Manual

and considered together as "Rules." In addition, a common numbering and naming scheme for subdivisions within a Rule has been implemented.

The NASD proposes to make the rule change effective no later than six months from the date of approval, although it anticipates an effective date no later than May 1, 1996.<sup>3</sup> The NASD will provide notice to its membership of the definite effective date by way of publication in the Notice to Members.<sup>4</sup> In the interim period between the date of approval and the effective date of the revised Rules, any proposed rule changes by the NASD will include the old rule language and number, with a footnote which will indicate the new rule language and number. Any future NASD rule proposals will also refer to the Commission's approval order and the planned effective date of the revision. This should minimize any confusion to the industry and to the public.

The Commission finds that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act<sup>5</sup> because the rule change will protect investors and the public interest by simplifying the layout of the NASD Manual. There will now be a more logical progression of the Rules within the Manual. This in turn will assist NASD members and non-members in utilizing the Manual.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that File No. SR-NASD-95-51 be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 96-541 Filed 1-18-96; 8:45 am]

BILLING CODE 8010-01-M

<sup>3</sup> See Letter from Suzanne E. Rothwell, Associate General Counsel, NASD, to Mark P. Barracca, Branch Chief, Over-the-Counter Regulation, Division of Market Regulation, SEC, dated January 4, 1996 ("Amendment No. 1").

<sup>4</sup> In addition, the NASD will file a proposed rule change, pursuant to Section 19(b)(3)(A) of the Act, with the Commission to ensure proper notice in the Federal Register of the definitive effective date.

<sup>5</sup> 15 U.S.C. 78o-3.

<sup>6</sup> 17 CFR 200.30-3(a)(12).

<sup>5</sup> 17 CFR 200.30-3(a)(12)(1994).

<sup>1</sup> 15 U.S.C. 78s(b)(1)

<sup>2</sup> 17 CFR 240.19b-4