

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

The purpose of the proposed rule change is to modify MBSCC's rules to explicitly state that MBSCC has a lien on all property placed in its possession by its participants. Unlike other clearing organizations, MBSCC's rules do not contain specific language stating that MBSCC has such a lien.<sup>4</sup> However, according to MBSCC, MBSCC always intended to have a lien on all property placed in its possession by its participants. Therefore, in order to clarify this issue, the proposed rule change adds language providing MBSCC with assurances that, in the event one of its participants fails to discharge its liabilities, MBSCC will have first priority with respect to the participant's property in MBSCC's possession. The proposed rule change also revises MBSCC's rules to clarify that any cash received with respect to any deposits to MBSCC's participants fund and not yet distributed to a participant is available to MBSCC for satisfaction of participant liabilities.

MBSCC believes that the proposed rule change is consistent with the requirements of Section 17A(b)(3)(F) of the Act<sup>5</sup> and the rules and regulations thereunder because it will facilitate the prompt and accurate clearance and settlement of securities transactions.

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

MBSCC does not believe that the proposed rule change 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 proposed rule change have been solicited or received. MBSCC will notify the Commission of any written comments received by MBSCC.

<sup>4</sup> For example, the rules of the National Securities Clearing Corporation ("NSCC") and the International Securities Clearing Corporation ("ISCC") provide NSCC and ISCC with liens on property placed in their possession by their participants. The language contained in the present proposed rule change is substantially similar to the language contained in NSCC's and ISCC's respective rules. NSCC Rule 18, Section 2(f) and ISCC Rule 18, Section 3.

<sup>5</sup> 15 U.S.C. 78q-1(b)(3)(F).

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

Within thirty-five 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 ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which MBSCC 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 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, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of MBSCC. All submissions should refer to the file number SR-MBSCC-96-08 and should be submitted by March 19, 1997.

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

Margaret H. McFarland,  
Deputy Secretary.

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[(Release No. 34-38313); File No. SR-PTC-96-06]

**Self-Regulatory Organizations; Participants Trust Company; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change to Authorize the Release of Clearing Data**

February 19, 1997.

Pursuant to Section 19(b)(1)<sup>1</sup> of the Securities Exchange Act of 1934 ("Act"), notice is hereby given that on November 22, 1996, the Participants Trust Company ("PTC") 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 PTC. 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 modifies Article VI of PTC's rules to add a new Rule 14 which authorizes PTC to release transaction and other data relating to participants obtained by PTC in the normal course of business.

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

In its filing with the Commission, PTC 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. PTC 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*

The purpose of the proposed rule change is to modify Article VI of PTC's rules to add a new Rule 14 which authorizes PTC to release transaction and other data relating to participants obtained by PTC in the normal course of its business. The rule will permit PTC to disclose such data to (1) regulatory, self-regulatory, other similar organizations, (2) clearing organizations which are under the oversight of the

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

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

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

Commodity Futures Trading Commission, and (3) to other entities as may be authorized by a participant. The proposed rule change will allow PTC to participate in the National Securities Clearing Corporation's ("NSCC") Collateral Management Service ("CMS")<sup>3</sup> and to provide information to the CMS database regarding PTC's participants' net debit and credit balances, participants' fund deposits, including excess (deficit) amounts, and comprehensive data on underlying collateral.

PTC believes the proposed rule change is consistent with the requirements of Section 17A of the Act and the rules and regulations thereunder because it sets forth PTC's responsibilities and obligations with regard to releasing participant's clearing data and facilitates PTC's participation in the CMS database by permitting PTC to provide participant information to the CMS database.

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

PTC does not believe that the proposed rule change will impact 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 have been solicited or received. PTC will notify the Commission of any written comments received by PTC.

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

Section 17A(b)(3)(F) of the Act requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible.<sup>4</sup> The Commission believes the proposed rule change is consistent with PTC's obligation under Section 17A(b)(3)(F) because the proposal sets forth PTC's responsibilities and obligations with regard to releasing participants' clearing data and should facilitate PTC's participation in NSCC's CMS by allowing PTC to provide participant information to NSCC for use in its CMS. PTC's and its participants' participation in NSCC's CMS should help PTC and other clearing agencies to better monitor their clearing members'

clearing fund, margin, and other similar required deposits that protect the clearing agencies against loss should a member default on its obligations.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of the filing because accelerated approval will allow PTC to immediately participate in NSCC's CMS thus allowing both PTC and other clearing agency participants in the CMS to benefit from the data contained in CMS regarding common participants.

**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 Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing also will be available for inspection and copying at the principal office of PTC. All submissions should refer to File No. SR-PTC-96-06 and should be submitted by March 19, 1997.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-PTC-96-06) be, and hereby is, approved.

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

Margaret H. McFarland,

*Deputy Secretary.*

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[Release No. 34-38318; File No. SR-SCCP-96-14]

**Self-Regulatory Organizations; Stock Clearing Corporation of Philadelphia; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Implementing a Collection Service for Regulatory Fees**

February 20, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on January 6, 1997, the Stock Clearing Corporation of Philadelphia ("SCCP") 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 SCCP. 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 will permit SCCP to act as a collection agent for the National Association of Securities Dealers ("NASD") for Section 31 fees.

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

In its filing with the Commission, SCCP included statements concerning the purpose of and statutory basis for the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. SCCP 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 Statements of the Purpose of, and Statutory Basis for the Proposed Rule Change*

SCCP proposes to serve as a collection agent for the NASD for Section 31 fees as required in the National Securities Markets Improvement Act of 1996.<sup>3</sup> Section 31 fees will apply to all domestic and foreign securities listed on the NASDAQ Stock Market with the exception of convertible debt. Upon its implementation, the fee will be 1/300th of one percent based upon the aggregate dollar amount of sales transacted by or through any member other than those

<sup>3</sup> Securities Exchange Act Release No. 35809 (June 5, 1995), 60 FR 30912 [File No. SR-NSCC-95-06] (order approving proposed rule change establishing the CMS).

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

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

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

<sup>2</sup> The Commission has modified parts of these statements.

<sup>3</sup> Pub. L. 104-920, 110 Stat. 3416 (1996).