

securities included in a customer's account.

GSCC has requested that the Commission approve the proposed rule change subsequent to the thirtieth day after publication of the notice of the filing because it is currently operational capable of taking trade information from NSCC. The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the publication of notice because such approval will allow GSCC's interface with ACATS to immediately become operative with NSCC's expanded ACATS system. The Commission points out that this proposed rule change was discussed in NSCC's rule filing regarding the new ACATS system to which no written comments were received.<sup>8</sup>

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. 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 Section, 450 Fifth Street, NW, Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of GSCC. All submissions should refer to File No. SR-GSCC-98-05 and should be submitted by July 30, 1999 in the **Federal Register**.

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-GSCC-98-05) be and hereby is approved on an accelerated basis.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>9</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41592; File No. SR-MBSCC-99-03]

#### Self-Regulatory Organizations; MBS Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Eligibility of Applicants

July 1, 1999.

Pursuant to Section 19(b)(1) <sup>1</sup> of the Securities Exchange Act of 1934 ("Act"), notice is hereby given that on April 19, 1999, the MBS Clearing Corporation ("MBSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by MBSCC. The Commission is publishing this notice to solicit comments from interested persons on the proposed rule change.

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

The proposed rule change adds Addendum B to MBSCC's rules regarding the eligibility of applicants.

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

In its filing with the Commission, MBSCC 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. MBSCC 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

Article III, Rule 1, Section 1 of MBSCC's rules sets forth the categories of applicants that are eligible to become

participants of MBSCC. The specific categories of entities that may become participants include mortgage bankers, broker-dealers registered with the Commission, commercial banks, thrift institutions, insurance companies, clearing agencies registered with the Commission, and investment companies registered with the Commission. The rule also contains a provision for "firms in such other categories as the [MBSCC] from time to time may determine."

The addendum clarifies the provision of MBSCC's eligibility rule regarding "firms in such other categories as the [MBSCC] from time to time may determine." The categories of firms that are participants pursuant to this provision currently include government sponsored enterprises, international organizations, and private investment companies. The addendum also states that pension funds have expressed an interest in becoming participants of MBSCC and in the future may constitute an additional category within this provision. The addendum specifically provides that these firms are subject to MBSCC's rules and procedures, including standards for qualifications to the same extent as other firms.

MBSCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act<sup>3</sup> and the rules and regulations thereunder because it constitutes an interpretation of an existing rule regarding the admission of participants.

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

MBSCC 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 relating to the proposed rule change have been solicited or received. MBSCC will notify the Commission of any written comments received by MBSCC.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(i) of the Act<sup>4</sup> and pursuant to Rule 19b-4(e)(1)<sup>5</sup> promulgated thereunder because the proposal constitutes a stated policy, practice, or interpretation with respect to the

<sup>8</sup> Securities Exchange Act Release Nos. 40487 (September 28, 1998), 63 FR 53479 and 40657 (November 10, 1998), 63 FR 63952.

<sup>9</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 the text of the summaries prepared by MBSCC.

<sup>3</sup> 15 U.S.C. 78q-1.

<sup>4</sup> 15 U.S.C. 78s(b)(3)(A)(i).

<sup>5</sup> 17 CFR 240.19b-4(e)(1).

meaning, administration, or enforcement of an existing MBSCC rule. At any time within sixty days of the filing of such rule change, the Commission may summarily abrogate such 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 including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. 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, NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of MBSCC. All submissions should refer to File No. SR-MBSCC-99-03 and should be submitted by July 30, 1999.

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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#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41582; File No. SR-PCX-99-23]

#### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Pacific Exchange, Inc. Relating to the Reorganization of PCX Rule 6.87

June 30, 1999.

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> notice is hereby given that on June 15, 1999, the Pacific Exchange, Inc. ("PCX" or "Exchange") 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 PCX. On June 21, 1999, the PCX filed with the Commission Amendment No. 1 to the proposed rule change.<sup>3</sup> The Commission is publishing the 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 Exchange proposes to redesignate the subsections of PCX Rule 6.87 to conform to proposed changes to this rule previously approved by the Commission.

#### 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 PCX 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 PCX 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

###### 1. Purpose

The Exchange proposes to redesignate and clarify the provisions of PCX Rule 6.87, relating to the Exchange's Automatic Execution System ("Auto-Ex") for options, to reflect changes to the rule recently approved by the Commission.

First, the Exchange proposes to redesignate subsection (d) pertaining to "Suspension of Auto-Ex," approved by the Commission in February, 1998, as subsection (h).<sup>4</sup> Second, the Exchange

proposes to redesignate subsection (d) pertaining to "Auto-Ex NBBO," approved by the Commission in September, 1998 and amended in a filing approved in January, 1999, as subsection (i).<sup>5</sup> Third, the Exchange proposes to redesignate subsection (e) pertaining to "Crossed or Locked Markets," approved by the Commission in January, 1999, as subsection (j).<sup>6</sup> Fourth, the Exchange proposes to redesignate subsections (d) pertaining to "Market Maker Requirements and Eligibility," (e), and (f) pertaining to "Price Adjustments," approved by the Commission in October, 1998, as subsections (e), (f) and (g).<sup>7</sup> In addition, the Exchange proposes to redesignate Commentary .01 of the rule as subsection (c) and to change the reference to "this commentary" in proposed subsection (c) to "this subsection." The Exchange also proposes to redesignate current subsection (c) as subsection (d). The Exchange proposes these changes to recognize recent revisions to PCX Rule 6.87.

###### 2. Basis

The Exchange believes the proposed rule change is consistent with Section 6(b)<sup>8</sup> of the Act, in general, and furthers the objectives of Section 6(b)(5)<sup>9</sup> in particular, because it is designed to foster cooperation and coordination with persons engaged in facilitating transactions in securities, and to remove impediments and perfect the mechanisms of a free and open market and a national market system and to protect investors and the public interest.

##### B. Self-Regulatory Organization's Statement on Burden on Competition

The PCX does not believe that the proposed rule change will impose any 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 were solicited or received with respect to the proposed rule change.

<sup>5</sup> See Securities Exchange Act Release No. 40980 (January 26, 1999), 64 FR 5335 (February 3, 1999) (SR-PCX-98-55) and Securities Exchange Act Release No. 40412 (September 8, 1998), 63 FR 49626 (September 16, 1998) (SR-PCX-98-27).

<sup>6</sup> See Securities Exchange Act Release No. 40980 (January 26, 1999), 64 FR 5335 (February 3, 1999) (SR-PCX-98-55).

<sup>7</sup> See Securities Exchange Act Release No. 40598 (October 23, 1998), 63 FR 58439 (October 30, 1998) (SR-PCX-97-48).

<sup>8</sup> 15 U.S.C. 78f(b).

<sup>9</sup> 15 U.S.C. 78f(b)(5).

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

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

<sup>3</sup> In Amendment No. 1, the Exchange made technical modifications to its filing and further clarified the proposal. See letter to Michael A. Walinskas, Associate Director, Division of Market Regulation, Commission, from Robert P. Pacileo, Staff Attorney, PCX, dated June 18, 1999.

<sup>4</sup> See Securities Exchange Act Release No. 39635 (February 10, 1998), 63 FR 8246 (February 18, 1998) (SR-PCX-97-21).

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