

operative until March 16, 1998, more than 30 days from February 2, 1998, the date on which it was filed, and the NASD provided the Commission with written notice of its intent to file the proposed rule change at least five days prior to the filing date, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(e)(6) thereunder.

At any time within 60 days of this filing, the Commission may summarily abrogate this proposal 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, 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 (SR-NASD-98-07) and should be submitted by March 13, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39656; File No. SR-NSCC-97-18]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Modifying the Interpretation of the Release of Clearing Data

February 12, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on December 23, 1997, the National Securities Clearing Corporation ("NSCC") 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 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 proposed rule change modifies NSCC's interpretation concerning the release of clearing data to regulatory and self-regulatory organizations to permit NSCC to pass through customer municipal securities transaction data required by the Municipal Securities Rulemaking Board ("MSRB").

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

The MSRB's rules require brokers, dealers, and municipal securities dealers (collectively, "dealers") to report interdealer municipal securities

transaction data to the MSRB. In connection with this requirement, NSCC currently provides the MSRB with interdealer municipal securities transaction data based on trades submitted to NSCC by dealers for automated comparison. The MSRB uses the data to maintain a surveillance database and to make public reports on price and volume of frequently traded issues.

The MSRB has amended its rules to require dealers also to report customer (*i.e.*, institutional and retail) municipal securities transaction data to the MSRB for transactions effected after January 1, 1998. In connection with this requirement, the MSRB has asked NSCC to act as a conduit to enable dealers that are NSCC participants to use existing telecommunications links between NSCC and the MSRB to pass through the required customer municipal securities transaction data.

NSCC's interpretation concerning the release of clearing data to regulatory and self-regulatory organizations is set forth in Addendum H to NSCC's rules and procedures. Addendum H limits the release of municipal securities clearing data to regulatory and self-regulatory organizations that have demonstrated the necessity for obtaining the data in furtherance of their regulatory purpose.

The proposed rule change modifies Addendum H to permit NSCC to facilitate the provision of interdealer and customer municipal securities transaction data to the MSRB.³ NSCC believes that the provision of this data is consistent with NSCC's interpretation as it serves the MSRB's regulatory purposes, namely to provide transparency in the municipal securities market and to assist compliance by participants with the MSRB's rules.

NSCC believes the proposed rule change is consistent with Section 17A(b)(3)(F)⁴ of the Act because provision of interdealer and customer municipal securities transaction data to the MSRB will help foster cooperation and coordination with persons engaged in the clearance and settlement of security transactions and in general will help protect investors and the public interest.

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

NSCC does not believe that the proposed rule change will impact or impose a burden on competition.

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified parts of these statements.

³ NSCC does not intend to edit, to validate, or otherwise to alter the information to be received from dealers and transmitted to the MSRB.

⁴ 15 U.S.C. 78q-1(b)(3)(F).

⁹ 17 CFR 200.30-3(a)(12).

(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. 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

Because the foregoing rule change constitutes an interpretation with respect to the meaning, administration, or enforcement of an existing rule of NSCC, it has become effective pursuant to Section 19(b)(3)(A)(i) of the Act⁵ and Rule 19b-4(e)(1) thereunder.⁶ At any time within sixty days of the filing of the proposed 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 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 will also be available for inspection and copying at the principal office of the NSCC. All submissions should refer to the File No. SR-NSCC-97-18 and should be submitted by March 13, 1998.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39663; File No. SR-NSCC-97-16]

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to NSCC's Annuity Processing Service Fees and Charges

February 13, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on December 22, 1997, the National Securities Clearing Corporation ("NSCC") 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 NSCC. 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 revises NSCC's annuity processing service ("APS") membership fee schedule for users establishing multiple membership accounts.

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

Some users of NSCC's APS establish multiple APS memberships for

themselves in order to comply with insurance regulations. Under NSCC's current fee schedule, APS users are charged \$335 per month for each membership account that the user establishes. NSCC believes that the per account charge for additional accounts is greater than the incremental cost to NSCC associated with establishing them.

The purpose of the rule change is to adopt a graduated fee schedule for multiple APS membership accounts for users with common ownership schemes or with operational support services agreements. Pursuant to this fee schedule, two to five related memberships are \$550 per month, and six or more related memberships are \$750 per month. The revised fee schedule became effective January 1, 1998.

NSCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act³ and the rules and regulations thereunder because it provides for the equitable allocation of dues, fees, and other charges among NSCC's participants that use NSCC's APS service.

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

NSCC does not believe that the proposed rule change will impose any burden on competition this is not necessary or appropriate in furtherance of the purposes of the Act.

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

No comments on the proposed rule change were solicited or received.

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)(ii)⁴ of the Act and pursuant to Rule 19b-4(e)(2)⁵ promulgated thereunder because the proposal establishes or changes a due, fee, or other charge imposed by NSCC. 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

⁵ 15 U.S.C. 78s(b)(3)(A)(i).

⁶ 17 CFR 240.19b-4(e)(1).

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified the text of the summaries prepared by NSCC.

³ 15 U.S.C. 78q-1.

⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

⁵ 17 CFR 240.19b-4(e)(2).