

addition, it should assist the Exchange in providing detailed information to the Commission under certain circumstances as required in Rule 19h-1.⁹ Moreover, the Commission believes that the additional fingerprinting requirements being imposed by the Exchange will further enhance security measures implemented by the CHX and is consistent with Section 17(f)(2) of the Act.¹⁰ Finally, the Commission finds that the clerk's fee is consistent with Section 6(b)(4) of the Act, which requires exchange rules to provide for the equitable allocation of reasonable dues, fees, and other charges among its members and issuers and other persons using its facilities.¹¹

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹² that the proposed rule change (SR-CHX-95-06) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹³

Margaret H. McFarland,
Deputy Secretary.

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[Release No. 34-35853; File No. SR-NSCC-95-05]

**Self-Regulatory Organizations;
National Securities Clearance
Corporation; Order Granting
Accelerated Approval of a Proposed
Rule Change Modifying Procedures
Relating to the Trade Comparison
Service for Debt Securities**

June 16, 1995.

On April 19, 1995, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-NSCC-95-05) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").¹ On April 27, 1995, NSCC filed an amendment to the proposed rule change requesting the Commission to consider the rule filing

convicted of any felony or certain enumerated misdemeanors) seeks admission to or continuance in membership, participation in, or association with a member or member organization. See 15 U.S.C. 78c(a)(39) (1988).

⁹ Specifically, the Rule requires SROs to notify the Commission whenever it determines to admit or continue in membership or participation or association with a member or member organization, any person who is subject to a statutory disqualification. See 17 CFR 240.19h-1 (1994).

¹⁰ See supra note 5.

¹¹ 15 U.S.C. 78f(b)(4) (1988).

¹² 15 U.S.C. 78s(b)(2) (1988).

¹³ 17 CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. 78s(b)(1) (1988).

pursuant to Section 19(b)(2)² of the Act rather than under Section 19(b)(3)(A)³ of the Act as originally filed.⁴ Notice of the proposal was published in the **Federal Register** on May 25, 1995.⁵ No comment letters were received. For the reasons discussed below, the Commission is granting accelerated approval of the proposed rule change.

I. Description of the Proposal

NSCC is modifying its procedures relating to the trade comparison service for debt securities. Specifically, NSCC is expanding the parameters for trade input and trade comparison for transactions in debt securities. The rule change will expand the comparison parameters for debt securities from \$.05 per \$1,000 of contract amount to a net \$10 difference per trade for trades of \$100,000 or less and to \$.10 per \$1,000 of contract amount for trades greater than \$100,000. NSCC will continue to advise participants of money differences for fixed income transactions on the morning of T+1 when contract prices are reported to transaction parties.

NSCC expects to implement the proposed rule change during the late part of the second quarter of 1995. Participants will be notified of the exact date of this change by an NSCC Important Notice.

II. Discussion

Section 17A(b)(3)(F)⁶ requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions. The Commission believes that NSCC's proposed rule change is consistent with the requirements of Section 17A(b)(3)(F) because expanding the comparison parameters for trades in debt securities should increase the initial trade date comparison rate for such transactions. Although NSCC has established comprehensive and effective procedures for the resolution of uncompleted trades,⁷ expanding the comparison parameters to increase the initial trade date comparison rate should result in a greater number of trades in debt securities being reported as compared earlier in the settlement cycle. Earlier comparison should provide greater certainty that those

² 15 U.S.C. 78s(b)(2) (1988).

³ 15 U.S.C. 78s(b)(3)(A) (1988).

⁴ Letter from John P. Barry, Associate Counsel, NSCC, to Peter Geraghty, Senior Counsel, Division of Market Regulations, Commission (April 24, 1995).

⁵ Securities Exchange Act Release No. 35733 (May 18, 1995), 60 FR 27800.

⁶ 15 U.S.C. 78q-1(b)(3)(F) (1988).

⁷ NSCC, Rules and Procedures, Procedure II.D.2. (June 7, 1995).

trades will settle on settlement date. Consequently, NSCC members should have to spend less time and resources on the supplemental activity required to resolve uncompleted trades.

Accordingly, the Commission believes that the proposed rule change should facilitate a faster and more effective comparison process and thereby should enhance the prompt and accurate clearance and settlement of securities transactions.

NSCC has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of the filing. The Commission finds good cause for so approving the proposed rule because it will permit NSCC to notify its members and to begin use of the proposed rule change within NSCC's implementation schedule. In addition, as of the end of the period for public comment, the Commission had not received any comment letters on NSCC's proposal.

III. Conclusion

For the reasons stated above, the Commission finds that the proposal is consistent with the requirements of Section 17A of the Act⁸ and the rules and regulations thereunder.

It is Therefore ordered, pursuant to Section 19(b)(2) of the Act,⁹ that the proposed rule change (File No. SR-NSCC-95-05) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Margaret H. McFarland,
Deputy Secretary.

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[Release No. 34-35862; File No. SR-NASD-95-18]

**Self-Regulatory Organizations; Order
Approving Proposed Rule Change by
National Association of Securities
Dealers, Inc., Relating to Corporate
Financing Underwriting Terms and
Arrangements**

June 19, 1995.

On May 3, 1995, the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed with the Securities and Exchange Commission ("SEC" or "Commission") a proposed rule change pursuant to Section 19(b)(1) of the Securities

⁸ 15 U.S.C. § 78q-1 (1988).

⁹ 15 U.S.C. § 78s(b)(2) (1988).

¹⁰ 17 CFR 200.30-3(a)(12) (1994).