

municipal securities unless the issuer commits, among other things, to provide material events notices to the Board's CDI system or to all Nationally Recognized Municipal Securities Information Repositories ("NRMSIRs") and to the applicable state information depository.³ In addition, the Rule prohibits dealers from recommending municipal securities without having a system in place to receive material events notices.⁴ To conform to the new Commission requirements, the Board revised the CDI system and implemented an interim system designed to accept material event notices while a larger permanent system is being designed.⁵ The Commission approved operation of the interim system through December 31, 1995.⁶

The Board is requesting an extension for the interim system through September 30, 1996, to gain additional experience with the new disclosure scheme of SEC Rule 15c2-12 while the permanent system is being designed. The amendments to SEC Rule 15c2-12 regarding material event notices were effective in July 1995, and will not be fully effective until January 1, 1996. Issuers and their agents are still in the process of adjusting to the amendments. The current volume of material event notices has been within the capacity of the interim system. Additional experience will allow the Board to design the permanent system to more efficiently accommodate the expected volume of material event notices. In addition, the permanent system is being designed to accommodate longer documents.

The Board believes that an extension of the operation of the interim CDI system through September 30, 1996, will give it sufficient time to determine the system changes needed, in consultation with the Commission as well as potential users of the system, including NRMSIRs. Prior to that time, the Board plans to ask the Commission for approval of the permanent CDI system, which will be described in a filing with the Commission.

The Board believes the proposed rule change is consistent with Section

15B(b)(2)(C) of the Act, which provides that the Board's rules:

Be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in municipal securities, to remove impediments to and perfect the mechanism of a free and open market in municipal securities, and, in general, to protect investors and the public interest.

The MSIL™ system is designed to increase the integrity and efficiency of the municipal securities market by, among other things, helping to ensure that the price charged for an issue in the secondary market reflects all available official information about that issue. The Board will continue to operate the output side of the CDI system to ensure that the information is available to any party who wishes to subscribe to the service. As with all MSIL™ system services, this service is available, on equal terms, to any party requesting the service.

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

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

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

Written comments were neither solicited nor received.

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

Because the foregoing proposed rule change: (i) Does not significantly affect the protection of investors or the public interest; (ii) does not impose any significant burden on competition; (iii) was provided to the Commission for its review at least five days prior to the filing date; and (iv) does not become operative for thirty days from the date of its filing on November 28, 1995, the proposed rule change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(e)(6) thereunder. In particular, the Commission believes the proposed rule change qualifies as a "non-controversial filing" in that the proposed standards do not significantly affect the protection of investors or the public interest and do not impose any significant burden on competition. 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. 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 Room. Copies of the filing will also be available for inspection and copying at the Board's principal offices. All submissions should refer to File No. SR-MSRB-95-19 and should be submitted by January 18, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30-3(a)(12).

Margaret H. McFarland,

Deputy Secretary.

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Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by National Association of Securities Dealers, Inc. Requiring Members Who Participate in the Transfer of Limited Partnership Securities To Use Standard Transfer Forms

December 20, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on December 15, 1994,¹ the National Association of

¹ The proposed rule change was initially filed on November 8, 1995, but was subsequently amended on December 11, 1995, and again on December 15, 1995, in order to clarify that the proposed rule change does not apply to limited partnership securities that are traded on the Nasdaq Stock Market or a registered national securities exchange.

³ Securities Exchange Act Release No. 34961 (November 10, 1994), 59 FR 59590. This provision of the Rule became effective on July 3, 1995. See Securities Exchange Act Release No. 35911.

⁴ The effective date of this provision of the Rule is January 1, 1996.

⁵ The Board also terminated the pilot phase of the CDI System and filed its Report on the Conclusion of the CDI Pilot of the Municipal Securities Information Library™ System with the Commission on August 25, 1995.

⁶ Securities Exchange Act Release No. 35911 (June 28, 1995), 60 FR 35248.