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 at 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 the Exchange. All submissions should refer to File No. SR–Amex–96–30 and should be submitted by September 3, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[8]

Jonathan G. Katz,

Secretary.

[FR Doc. 96–20456 Filed 8–9–96; 8:45 am]

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[Release No. 34–37528; File No. SR–NASD–95–61]

Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Extension of Public Comment Period for Proposed Rule Change

August 5, 1996.

On December 22, 1995,[1] the National Association of Securities Dealers, Inc. (''NASD'' or ''Association'') filed a proposed rule change with the Securities and Exchange Commission (''SEC'' or ''Commission''). The NASD proposes to amend NASD Rules 2820 and 2830 to revise existing rules applicable to the sale of investment company securities and establish new rules applicable to the sale of variable contracts.

Notice of the proposed rule change was provided by the issuance of a Commission release (Securities Exchange Act Release No. 37374, June 26, 1996) and by publication in the Federal Register (61 FR 35822, July 8, 1996).

The Commission has been requested to extend the time period for public comment on the proposed rule change.[2] The Commission hereby extends the period for public comment on the proposed rule change until August 19, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[3]

Jonathan G. Katz,

Secretary.

[FR Doc. 96–20457 Filed 8–9–96; 8:45 am]

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[Release No. 34–37523; File No. SR–PTC–96–04]

Self-Regulatory Organizations; The Participants Trust Company; Notice of Filing of Proposed Rule Change Relating to the Elimination of Prefunding Requirements for Intraday Free Retransfers

August 5, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on July 2, 1996, the Participants Trust Company (''PTC'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change (File No. SR–PTC–96–04) as described in Items I, II, and III below, which Items have been prepared primarily by PTC. 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 amend PTC's rules to eliminate the requirement that participants prefund free redeliveries (''free redeliveries'') involving securities that were received by a participant versus payment that same day.

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.[2]

(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 amend PTC's rules to eliminate the requirement that participants must have cash on deposit (''optional deposits'') with PTC equal to the original contract value for securities that are received the same day versus payment prior to making an intraday free redelivery of such securities. These optional deposits are commonly referred to as ''prefundings.''

The requirement that participants prefund intraday free redeliveries was added to PTC's rules by MBS Clearing Corporation (''MBSCC''), predecessor to PTC.[3] The purpose of the prefunding requirement was to support the original deliverer's security interest (''DSI'') and the default provisions which permitted PTC to reverse (*i.e.*, unwind) securities deliveries to achieve settlement, both of which were added to PTC's rules at the same time.[4] Both the DSI and the unwind procedures subsequently have been eliminated from the PTC rules and have been replaced with the participant's intraday collateral lien (''PICL'').[5]

The PICL, which can be exercised only if PTC is insolvent and fails to achieve settlement, is granted to those participants with a net credit balance

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[8] 17 CFR 200.30–3(a)(12).

[1] On June 14, 1996, the NASD filed Amendment No. 1 with the Commission. Amendment No. 1 addresses the relationship of the proposed rule change to industry initiatives concerning compensation practices, expands the scope of the proposed rule change to govern all sales targets, whether or not previously specified and replaces the term ''variable contract securities'' with the term ''variable contract.'' See Letter from John M. Ramsay, Deputy General Counsel, NASD to Katherine A. England, Assistant Director, Division of Market Regulation, SEC (June 14, 1996).

[2] By letter dated August 5, 1996 the NASD has consented to an extension of the comment period. *See* letter from John M. Ramsay, Deputy General Counsel, NASD Regulation, Inc. to Katherine A. England, Assistant Director, Division of Market Regulation, Commission.

[3] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1) (1988).

[2] The Commission has modified the text of the summaries prepared by PTC.

[3] In 1988, MBSCC proposed a rule change to require its participants to prefund intraday free transfers. Securities Exchange Act Release No. 26101 (September 22, 1988), 53 FR 37895 [File No. SR–MBS–88–14] (notice of filing of proposed rule change). Subsequently, the order granting PTC's registration as a clearing agency incorporated the proposed rule change stating that PTC's rules were essentially identical to MBSCC's rules including the most recently proposed rule changes. Securities Exchange Act Release No. 26671 (March 31, 1989), 54 FR 13266, [File No. 600–25] (order granting registration as a clearing agency and statement of reasons).

[4] PTC's rules originally provided that securities delivered versus payment (*i.e.*, held in a participant's transfer account) were held by PTC pending settlement subject to the DSI granted to the original delivering participant. If securities were thereafter redelivered free from a transfer account, the secured party would lose its collateral unless prefunding served as proceeds of that collateral. Accordingly, participants that made a free delivery of securities subject to a DSI were required to have cash at least equal to the original contract value of the securities in the form of an optional deposit to the participants fund.

[5] For a more complete discussion of PTC's reasons for removing the DSI and the unwind procedures, refer to Securities Exchange Act Release No. 34701 (September 22, 1994), 59 FR 49730 [File No. SR–PTC–94–03] (order approving proposed rule change).

owed to them by PTC. Participants with a net credit balance have a pro rata interest in a common pool of collateral that consists of securities held in transfer accounts (*i.e.*, intraday deliveries versus payment) for which settlement has not yet occurred, payments made by participants to satisfy net debit balances owed to PTC, and prefunding payments made to support intraday free redeliveries of securities from transfer accounts.

Prefunding intraday free redeliveries imposes a substantial burden on participants. For example, if a participant receives a security in a transaction versus payment through PTC and thereafter redelivers it free, such participant usually will be receiving payment for the free redelivery outside of PTC. Although the participant must have sufficient Net Free Equity (''NFE'') [6] for PTC to process the transaction, the participant may not have the cash available until after the funds are received from the party receiving the free redelivery outside of PTC. In addition, the participant may be in a net credit position at PTC when cash prefunding is required as a result of other transactions which are processed through its account.

PTC believes that the NFE controls applicable to participants will adequately protect PTC and the settlement of its transactions if the prefunding of intraday free redeliveries is eliminated. Every transaction processed through the PTC system, including both deliveries versus payment and free redeliveries, is tested to ensure that both the delivering and receiving participant's accounts will not have negative NFE after giving effect to the transaction.

PTC believes the NFE computation ensures that sufficient value is available to PTC to collateralize a settlement advance if a participant defaults on the payment of its debit balance. Under the proposed rule change, a free redelivery will not require prefunding although the NFE control will block any free redelivery where the deduction of the securities from the account of the delivering participant will cause its NFE to be negative. Accordingly, the elimination of cash prefunding will not diminish this NFE control, which assures that the amount of collateral available with respect to a participant's account is sufficient to cover the participant's debit balance. Although elimination of the prefunding requirement for intraday retransfers may result in some reduction in the aggregate collateral pool available to the PICL holders, PTC believes the magnitude of such reduction will not be material.

PTC believes that the proposed rule change is consistent with Section 17A of the Act [7] and the rules and regulations thereunder because it will facilitate the prompt and accurate clearance and settlement of securities transactions and will provide for the safeguarding of securities and funds in PTC's custody or control or for which PTC is responsible.

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

PTC does not believe that the proposed rule change imposes any burden on competition.

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

PTC has not solicited nor has received any written comments on the proposed rule change. PTC has discussed the proposed rule change with its participants informally and at meeting of PTC's Operations Committee which is composed of participant representatives. In the course of these discussions, participants have indicated a particular difficulty in complying with the prefunding requirement for free redeliveries of securities that support the issuance of collateralized mortgage obligation (''CMO'') securities. In these instances, a participant, usually the underwriter, will incur a debit balance in its PTC account as a result of the purchase of the securities while subsequent redelivery of the securities to a PTC limited purpose account is sent free pending issuance of the CMO. The primary source of the cash necessary to comply with the prefunding requirement would be the proceeds of the to be issued CMO.

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 finding such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which PTC 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 submission should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington D.C. 20549. Copies of the submissions, 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 filings will also be available for inspection and copying at the principal office of PTC. All submissions should refer to the file number SR–PTC–96–04 and should be submitted by September 3, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[8]

Jonathan G. Katz,

Secretary.

[FR Doc. 96–20399 Filed 8–9–96; 8:45 am]

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SOCIAL SECURITY ADMINISTRATION

Agency Information Collection Activities: Proposed Collection Request

The Social Security Administration publishes a list of information collection packages that will require submission to the Office of Management and Budget (OMB) for clearance in compliance with P.L. 104–13 effective October 1, 1995, The Paperwork Reduction Act of 1995. Since the last list was published in the Federal Register on August 2, 1996, the information collection listed below will require extension of the current OMB approval.

[6] NFE for a participant's account consists of, among other things, the cash balances in the participant's account, the market value of securities, net of applicable margin in the participant's account or associated transfer account, a portion of the participant's mandatory deposit to the participants fund, and the participant's optional deposits to the participants fund including prefunding. Additional components of NFE not relevant to this analysis include reserve on gain, which operates to reduce NFE in certain transactions, and excess proprietary NFE, a component of supplemental processing collateral.

[7] 15 U.S.C. 78q–1 (1988).

[8] 17 CFR 200.30–3(a)(12) (1995).