

current day's net activity. However, GSCC's rules currently provide for the return of excess clearing fund collateral to members only once a calendar month on the second business day of each month. This methodology applies regardless of the level of a member's excess clearing fund collateral. The proposed rule change allows members to request the return of excess collateral on any business day under the following circumstances: (1) The amount of the member's excess clearing fund collateral is at least \$5 million; (2) the member is not on class 2 or class 3 surveillance status; and (3) the collateral will be returned only to the extent that GSCC retains a cushion of excess collateral of not less than the greater of (a) ten percent of the member's clearing fund deposit requirement (*i.e.*, GSCC must retain 110% of the member's clearing fund deposit requirement) or (b) \$1 million more than the amount of collateral needed to cover the member's current clearing fund deposit requirement.

II. Discussion

Section 17A(b)(3)(F) ⁴ of the Act requires that the rules of a clearing agency be designed to safeguard securities and funds in its custody or control. While the proposal will permit members with large amounts of excess clearing fund to have daily access to such funds, which should increase such members' liquidity and thus assist them in fulfilling their settlement obligations, the proposal will only allow the return of excess clearing fund under certain conditions, including that GSCC retains a cushion of excess clearing fund. Such conditions should help to ensure that GSCC has sufficient clearing fund on hand to meet its settlement obligations. Thus, the proposal is consistent with GSCC's obligation to safeguard securities and funds in its possession.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular Section 17A of the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-GSCC-96-09) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,

Deputy Secretary.

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[Release No. 34-37862; File No. SR-MBSCC-96-05]

Self-Regulatory Organizations; MBS Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Fees and Charges

October 24, 1996.

Pursuant to Section 19(b)(1) ¹ of the Securities Exchange Act of 1934 ("Act"), notice is hereby given that on September 25, 1996, 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 text of the proposed rule change consists of modifications to the Electronic Pool Notification ("EPN") schedule of charges, which is attached as Exhibit 1.

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.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 modify the access fees and to make technical changes to the schedule of charges for the EPN service. MBSCC currently accommodates connectivity to the EPN service by leased lines and charges an access fee

depending on the type of connection used by a participant. The proposed rule change establishes an access fee to accommodate the use of dial-up lines in conjunction with or as an alternative to leased lines for connection to the EPN service.³ Dial-up access to the EPN service is intended to reduce a participant's monthly telephone company communication charges. Therefore, the proposed rule change modifies the EPN schedule of charges to add an access fee for CTCI TCP/IP via dial-up of \$30.00/month. The proposed rule change also makes a technical modification to the EPN schedule of charges to identify the access fees to accommodate connectivity by leased line or dial-up, leased line, and dial-up.⁴ MBSCC will implement these changes effective immediately.

MBSCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act⁵ and the rules and regulations thereunder because it provides for the equitable allocation of dues, fees, and other charges among MBSCC's 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 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)(ii) ⁶ of the Act and pursuant to Rule 19b-4(e)(2) ⁷ promulgated thereunder because the proposal establishes or changes a due, fee, or other charge imposed by MBSCC. 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

³ Leased lines are billed on a flat rate regardless of usage whereas dial-up access is billed based on usage plus a small maintenance fee.

⁴ One type of connection (*i.e.*, CTCI SNA LU6.2) accommodates leased or dial-up access to the EPN service.

⁵ 15 U.S.C. § 78q-1 (1988).

⁶ 15 U.S.C. § 78s(b)(3)(A)(ii) (1988).

⁷ 17 CFR 240.19b-4(e)(2) (1996).

⁴ 15 U.S.C. § 78q-1(b)(3)(F) (1988).

⁵ 17 CFR 200.30-3(a)(12) (1996).

¹ 15 U.S.C. § 78s(b)(1) (1988).

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

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, 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 also will be available for inspection and copying at the principal office of MBSCC. All submissions should refer to File No. SR-MBSCC-96-05 and should be submitted by November 22, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority:⁸

Margaret H. McFarland,
Deputy Secretary.

Exhibit 1—Modifications to MBSCC's EPN Schedule of Charges

MBSCC EPN SCHEDULE OF CHARGES⁹

Account Maintenance Fees	
Direct Account	\$250.00/month (per account).
Omnibus Account	\$250.00/month (per account) plus \$25.00/month (per customer account up to a maximum of \$250.00/month/per account).
Message Processing Fees	
ON Send	\$.25/million Current Face (8:00 a.m. to 1:00 p.m.). \$1.25/million Current Face (1:00 p.m. to 2:00 p.m.). \$1.50/million Current Face (2:00 p.m. to 3:00 p.m.). \$1.25/million Current Face (3:00 p.m. to 5:00 p.m.).
ON Receive	\$.50/million Current Face (8:00 a.m. to 1:00 p.m.). \$.25/million Current Face (1:00 p.m. to 2:00 p.m.). \$.25/million Current Face (2:00 p.m. to 3:00 p.m.). No Charge (3:00 p.m. to 5:00 p.m.).
DK Send or Receive	No Charge.
Cancel Send or Receive	No Charge.
Retransmission Request	No Charge.
AutoLink Request	No Charge.
Access Fees	
CTCI SNA LU6.2 <i>via leased line or Dial-up</i>	\$71.00/month (per circuit to MetroTech).
CTCI TCP/IP <i>leased line</i> via Wellfleet (MBSCC)	\$120.00/month (per circuit to MetroTech).
CTCI TCP/IP <i>leased line</i> via Cisco (MBSCC)	\$190.00/month (per circuit to MetroTech).
<i>CTCI TCP/IP via Dial-up</i>	<i>\$30.00/month (per circuit to MetroTech).</i>
EPN Terminal Service	No Charge (first 9.6 Kbps connection).
EPN Terminal Service	\$12.75/month (each additional connection).
EPN Dial-up Terminal Service	\$12.75/month (each 9.6 Kbps connection).
In addition to the above, telecommunication circuit charges from Sector (or your vendor of choice) will apply.	

⁹ Additions to the text are denoted by italics, deleted text is bracketed.

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⁸ 17 CFR 200.30-3(a)(12) (1996).