

providing investors with additional information. The technical change to proposed Amex Rule 1000A does not represent a material change. The Commission believes that the proposed original listing fee is reasonable and notes that no annual listing fees will be assessed for calendar year 1996. Finally, the other aspects of Amendment No. 2 concern issues that have been raised in prior Exchange proposals that have been the subject of a full comment period pursuant to Section 19(b) of the Act. The Commission believes that the trading hour provision of Amendment No. 3 does not represent a material change to the Exchange's original proposal and conforms WEBS trading hours to the Amex's regular trading hours. Amendment No. 3's trading halt provision clarifies the Exchange's proposal and makes it consistent with existing Exchange rules. Finally, the explanation regarding the dissemination of NAV clarifies what information will be made available to the public. For the foregoing reasons, the Commission believes there is good cause, consistent with Sections 6(b)(5) and 19(b)(2) of the Act,⁵⁹ to approve Amendment Nos. 2 and 3 to the proposal on an accelerated basis.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning Amendment Nos. 2 and 3. 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 Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR-Amex-95-43 and should be submitted by April 14, 1996.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the

proposed rule change (SR-Amex-95-43), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶⁰

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-6089 Filed 3-13-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36945; File No. SR-GSCC-96-02]

Self-Regulatory Organizations; Government Securities Clearing Corporation; Notice of Proposed Rule Change Modifying the Minimum Financial Criteria for Category One Interdealer Broker Netting Membership

March 7, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on February 13, 1996, the Government Securities Clearing Corporation ("GSCC") 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 GSCC. 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

GSCC proposes to modify its rules to reflect a new minimum financial criteria for category one interdealer broker membership in GSCC's netting system.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, GSCC 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. GSCC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.²

⁶⁰ 17 CFR § 200.30-3(a)(12) (1994).

¹ 15 U.S.C. 78s(b)(1) (1988).

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

A. Self-Regulatory Organization's Statement of the Purpose of, and the Statutory Basis for, the Proposed Rule Change

As a part of its continuous process of reviewing its membership criteria and overall risk management mechanism, GSCC seeks to enhance its minimum financial criteria for category one interdealer broker ("IDB") membership in the netting system. Currently, GSCC has two categories of netting system membership for IDBs.

Category one IDBs act exclusively as brokers and trade only with netting members and for a temporary period established by the GSCC Board with certain "grandfathered" non-member firms.³ Currently, the minimum financial requirement for category one IDBs is \$4.2 million in excess net or liquid capital, as applicable.⁴

Category two IDBs have a minimum financial requirement of \$25 million in net worth and \$10 million in excess net or liquid capital, as applicable.⁵ Unlike a category one IDB, a category two IDB is permitted to have up to ten percent of its business with non-netting members other than grandfathered non-members. This determination is based on the category two IDB's dollar volume of next-day and forward settling activity in eligible securities over the prior twenty business days.

GSCC's proposed rule change will modify the minimum financial requirement for category one IDBs to require \$10 million in excess net or liquid capital, as applicable. GSCC believes that given the large dollar volume of activity that the IDBs have submitted and continue to submit to GSCC for netting and settlement and their principal nature vis-a-vis GSCC, it is appropriate to require that all IDBs have and maintain a minimum level of excess net or liquid capital of at least \$10 million. Category one IDBs will

³ Grandfathered non-members are non-members designated as such by the GSCC Board. GSCC publishes from time to time a list of such firms.

⁴ If the applicant is registered with the Commission as a broker-dealer pursuant to Section 15 of the Act and is applying to become a category one IDB netting member, it must have net capital of at least \$4.2 million. If the applicant is registered as a government securities broker pursuant to Section 15C of the Act and is applying to become a category one IDB netting member, it must have liquid capital of at least \$4.2 million.

⁵ If the applicant is registered with the Commission as a broker-dealer pursuant to Section 15 of the Act and is applying to become a category two IDB netting member, it must have net worth of at least \$25 million and excess net capital of at least \$10 million. If the applicant is registered with the Commission as a government securities broker pursuant to Section 15C of the Act and is applying to become a category two IDB netting member, it must have net worth of at least \$25 million and excess liquid capital of at least \$10 million.

⁵⁹ 15 U.S.C. 78f(b)(5) and 78s(b)(2) (1988).

continue to not have a minimum net worth requirement.

GSCC intends for this new capital requirement for category one IDBs⁶ to become effective with the implementation of the second stage of netting services for repurchase and reverse repurchase transactions involving government securities as the underlying instrument ("repos").⁷ As of the filing of this proposed rule change, the Board of Directors of GSCC will no longer consider applications for category one IDB netting membership unless the IDB applicant has at least \$10 million in excess net or liquid capital.⁸

GSCC believes the proposed rule change is consistent with the requirements of Section 17A of the Act and the rules and regulations thereunder because it will enhance GSCC's minimum financial criteria for membership in the netting system and strengthen its overall risk management process.⁹

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

GSCC does not believe that the proposed rule change will have an 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

Comments on the proposed rule change have not yet been solicited or received. Members will be notified of the rule filing, and comments will be solicited by an important notice. GSCC will notify the Commission of any written comments received by GSCC.

⁶ Presently, GSCC has only one category one IDB.

⁷ For a complete description of GSCC's repo services to date, refer to Securities Exchange Act Release Nos. 35557 (March 31, 1995), 60 FR 17598 [File No. SR-GSCC-94-10] (order approving a proposed rule change relating to implementing a comparison service for repos) and 36491 (November 17, 1995), 60 FR 61577 [File No. SR-GSCC-95-02] (order approving a proposed rule change relating to netting services for non-same-day-settling aspects of next-day and term repos). GSCC anticipates the next stage of the repo services involving netting, settlement, and risk management of the open and close legs of brokered repo transactions will become effective later this year.

⁸ GSCC Rule 3, Section 2 provides that the \$4.2 million capital requirement is a minimum and that the GSCC Board of Directors may impose greater standards in view of the anticipated positions and obligations of the applicant, the anticipated risk associated with the volume and types of transactions the applicant proposes to process, and the overall financial condition of the applicant.

⁹ 15 U.S.C. 78q-1 (1988).

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 finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization 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 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 Section, 450 Fifth Street NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of GSCC. All submissions should refer to File No. SR-GSCC-96-02 and should be submitted by April 4, 1996.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-6091 Filed 3-13-96; 8:45 am]

BILLING CODE 8010-01-M

SOCIAL SECURITY ADMINISTRATION

Finding Regarding Foreign Social Insurance or Pension System—Croatia

AGENCY: Social Security Administration.

ACTION: Notice of Finding Regarding Foreign Social Insurance or Pension System—Croatia.

FINDING: Section 202(t)(1) of the Social Security Act (42 U.S.C. 402(t)(1)) prohibits payment of monthly benefits to any individual who is not a United States citizen or national for any month after he or she has been outside the United States for 6 consecutive months, and prior to the first month thereafter for all of which, the individual has been in the U.S. This prohibition does not apply to such an individual where one of the exceptions described in section 202(t)(2) through 202(t)(5) of the Social Security Act (42 U.S.C. 402(t)(2) through 402(t)(5)) affects his or her case.

Section 202(t)(2) of the Social Security Act provides that, subject to certain residency requirements of section 202(t)(11), the prohibition against payment shall not apply to any individual who is a citizen of a country which the Commissioner of Social Security finds has in effect a social insurance or pension system which is of general application in such country and which:

(a) Pays periodic benefits, or the actuarial equivalent thereof, on account of old age, retirement, or death; and

(b) Permits individuals who are United States citizens but not citizens of that country and who qualify for such benefits to receive those benefits, or the actuarial equivalent thereof, while outside the foreign country regardless of the duration of the absence.

The Commissioner of Social Security has delegated the authority to make such a finding to the Director of the Office of International Policy. Under that authority the Director of the Office of International Policy has approved a finding that Croatia, beginning April 1, 1992, has a social insurance system of general application which:

(a) Pays periodic benefits, or the actuarial equivalent thereof, on account of old age, retirement, or death; and

(b) Permits United States citizens who are not citizens of Croatia and who qualify for the relevant benefits to receive such benefits, or their actuarial equivalent, while outside of Croatia, regardless of the duration of the absence of these individuals from Croatia.

Accordingly, it is hereby determined and found that Croatia has in effect, beginning April 1, 1992, a social insurance system which meets the requirements of section 202(t)(2) of the Social Security Act (42 U.S.C. 402(t)(2)).

This is our first finding under section 202(t) of the Social Security Act for Croatia. Before April 1992, the United States did not recognize Croatia as an independent nation. At that time, it was considered part of the former Yugoslavia which, on March 25, 1959, had been found to have a system that

¹⁰ 17 CFR 200.30-3(a)(12) (1995).