

MBSCC believes that the proposed rule change will further protect MBSCC in the event a participant fails to discharge its liabilities. In this respect, MBSCC will treat all of a participant's accounts³ and obligations as belonging to such participant regardless of the identity of the original underlying party. In addition, MBSCC believes that the proposed rule change will remove any doubt that a participant's participant fund⁴ deposits will be available for all of the participant's transactions regardless of the source. Furthermore, MBSCC believes that this proposed rule change will foreclose any attempt by a nonparticipant to assert a claim against MBSCC with respect to a trade.

MBSCC believes that the proposed rule change is consistent with Section 17A of the Act and the rules and regulations promulgated thereunder in that it will enhance MBSCC's ability to protect itself and its participants against loss.

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

MBSCC 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 on Comments on the Proposed Rule Change Received From Members, Participants, or Others

MBSCC has not solicited or received comments relating to the proposed rule change. 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

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 findings or (ii) as to which MBSCC consents, the Commission will:

(A) By order approve such proposed rule change or

³ According to MBSCC's rules, the term account generally means any account maintained by MBSCC on behalf of a participant for the comparison, margining, and clearing of trades.

⁴ According to MBSCC's rules, the term "participant fund" means the fund for which provision is made in Article IV to which participants are required to make basic deposits, minimum market margin differential deposits, and market margin differential deposits.

(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, 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 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 filing will also be available for inspections and copying at the principal office of MBSCC. All submissions should refer to the File No. SR-MBSCC-97-5 and should be submitted by October 17, 1997.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-25519 Filed 9-25-97; 8:45 am]
BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39104; File No. SR-OCC-97-01]

Self-Regulatory Organizations; The Options Clearing Corporation; Order Approving a Proposed Rule Change Permitting the Use of Certain Fund Shares to Satisfy Margin Requirements and Permitting the Use of Certain Fund Shares and Trust Units as Escrow Deposits

September 22, 1997.

On February 21, 1997, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-OCC-97-01) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").¹ Notice of the proposal was published in the **Federal Register**

⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

on May 20, 1997.² No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description

(1) Using Fund Shares as a Form of Margin

The proposal amends subparagraph (4) of OCC Rule 604(d), which sets forth the margin deposit eligibility requirements for debt and equity issues, to permit OCC's clearing members to deposit as a form of margin collateral fund shares issued by open-end management investment companies that hold portfolios or baskets of common stocks ("fund shares").³ The proposal amends the term "stock" defined Rule 604(d)(4) to include fund shares. Fund shares will have to meet the requirements applicable to stocks under Rule 604(d) and be of a class approved by OCC for deposit as margin to be eligible for deposit as margin collateral. Because Rule 604(d)(1) requires that a stock be exchange listed or traded on the NASDAQ National Market System, the "publicly traded" requirement of subparagraph (4) has been deleted. The proposal also amends Section 11 of OCC's Interpretations and Policies to require that OCC's Membership/Margin Committee ("Committee") approve classes of fund shares for deposit as margin. Presently, World Equity Benchmark Shares ("WEBS") listed on the American Stock Exchange are the only class of fund shares the Committee has approved.

(2) Using Fund Shares and Trust Units as Escrow Deposits

The proposal amends OCC Rule 1801(b), which relates to index option escrow deposits, by adding new subparagraph (2) which will define the term "common stocks" to include fund shares and trust units.⁴ By adding this definition, OCC Rule 1801(b) now permits clearing members to use fund shares and trust units as part of an escrow deposit made with respect to index call option contracts carried in a

² Securities Exchange Act Release No. 38625 (May 13, 1997), 62 FR 27638.

³ Similarly, OCC permits its clearing members to use certain publicly traded units of beneficial interest in unit investment trusts ("trust units") as margin deposits under the conditions specified in subparagraph (4) of Rule 604(d). Currently, the only trust units approved for deposit as margin are Standard & Poor's ("S&P") Depository Receipts ("SPDR's") on the S&P 500 Index and S&P 400 Mid-Cap Index.

⁴ The proposed rule change also makes numbering changes to Rule 1801 as a result of the addition of new subparagraph (b)(2).

short position in a clearing members' customer account.⁵

The language of the new definition parallels that of Rule 604(d), as amended herein. Accordingly, fund shares and trust units deposited as index option escrow deposits must meet the existing requirements for deposits of common stock under Rule 1801(b) and must be of a class approved by OCC for deposit as margin collateral. Because the Committee already has approved for deposit as margin SPDRs on the S&P 500 Index and S&P 400 Mid-Cap Index (as an eligible class of trust units) and WEBS (as an eligible class of fund shares), upon approval of this rule filing SPDRs and WEBS will be eligible for use as escrow deposits for short positions in index call options.⁶

II. Discussion

Section 17A(b)(3)(F)⁷ of the Act requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds in its custody or control or for which it is responsible. Because fund shares and trust units, among other things, must be either traded on a national securities exchange or designated as a national market system security to be eligible as margin collateral, the proposal ensures that only liquid securities will be accepted as a form of margin or an escrow deposit. In addition, fund shares and trust units are typically traded and cleared like shares of common stock and are typically held in book-entry form at a securities depository.⁸ As a result, OCC believes it will be able to readily perfect a security interest in deposited fund shares and will be able to liquidate them if necessary. Furthermore, OCC already has had an opportunity to gain experience in accepting trust units as a form of margin and will be able to use

⁵ OCC has filed with the Commission a proposed rule change that will authorize OCC to issue and clear options on fund shares and trust units. Securities Exchange Act Release No. 38706 (June 2, 1997, 62 FR 31468. OCC also asserts that, if approved by the Commission, fund shares and trust units will by definition become "underlying securities as defined by Article I, Section 1 of OCC's bylaws," and escrow deposits with respect to call option contracts on these underlying securities carried in a short position will be automatically permitted under the existing provisions of OCC Rule 610, which relates to the deposit of underlying securities in lieu of margin.

⁶ OCC has indicated that if the Commission approves the proposal, OCC will send a notice to each of its custodian banks advising them that the term "common stocks" as used in the Amended and Restated On-Line Escrow Deposit Agreement includes the SPDRs and WEBS identified above.

⁷ 15 U.S.C. 78q-1(b)(3)(F).

⁸ Securities Exchange Act Release No. 38105, (December 31, 1996) 62 FR 1014 [File No. SR-OCC-96-13] (order approving a proposed rule change relating to unit investment trusts as margin collateral).

this experience in expanding to fund shares. Therefore, the Commission believes that OCC's proposed rule change is consistent with OCC's obligations under the Act to safeguard securities and funds.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of 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-OCC-97-01) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-25520 Filed 9-25-97; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

Performance Review Board: Membership

AGENCY: Securities and Exchange Commission.

ACTION: Notice of membership of Performance Review Board.

SUMMARY: In accordance with 5 U.S.C. 4314(c)(4), the U.S. Securities and Exchange Commission announces the appointment of Performance Review Board members.

EFFECTIVE DATE: November 1, 1997.

FOR FURTHER INFORMATION CONTACT: Carol S. Smith, U.S. Securities and Exchange Commission, Washington, DC 20549 (202) 942-4198.

The following are the names and present titles of the individuals appointed to the Performance Review Board established by the U.S. Securities and Exchange Commission.

Name, Title, Organization

Jennifer Scardino, Chief of Staff, Office of the Chairman

James M. McConnell, Executive Director, Office of the Executive Director

Richard Walker, General Counsel, Office of the General Counsel

For the Chairman, by the Executive Director, pursuant to delegated authority.

⁹ 17 CFR 200.30-3(a)(12).

Dated: September 18, 1997.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-25605 Filed 9-25-97; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

Data Collection Available for Public Comments and Recommendations

ACTION: Notice and request for comments.

SUMMARY: In accordance with the Paperwork Reduction Act of 1995, this notice announces the Small Business Administration's intentions to request approval on a new, and/or currently approved information collection.

DATES: Comments should be submitted on or before November 25, 1997.

FOR FURTHER INFORMATION CONTACT: Curtis B. Rich, Management Analyst, Small Business Administration, 409 3rd Street, S.W., Suite 5000, Washington, D.C. 20416. Phone Number: 202-205-6629.

SUPPLEMENTARY INFORMATION:

Title: "Request for Management and Technical Assistance".

Type of Request: Revision of Currently Approved Collection.

Form No: 641.

Description of Respondents: Individuals Requesting Counseling Management Counseling from SBA.

Annual Responses: 450,000.

Annual Burden: 59,850.

Title: "Counselor's Case Report".

Type of Request: Revisions of Currently Approved Collection.

Form No: 641A.

Description of Respondents: SBI and Score Counselors.

Annual Responses: 450,000.

Annual Burden: 90,000.

Comments: Send all comments regarding these information collections to John Bebris, Director, Business Education & Resource Management, Small business Administration, 409 3rd Street, S.W., Suite 6100, Washington, D.C. 20416. Phone No: 202-205-7424. Send comments regarding whether these information collections are necessary for the proper performance of the function of the agency, accuracy of burden estimate, in addition to ways to minimize these estimates, and ways to enhance the quality.

Jacqueline White,

Chief, Administrative Information Branch.

[FR Doc. 97-25627 Filed 9-25-97; 8:45 am]

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