

notice's initial send date. LOFF notices that have been accepted (*i.e.*, for which funds are available) will remain on the database for two days. LOFF notices that have been declined (*i.e.*, for which funds are available) will remain on the database for five days. All other LOFF notices that receive replies (*i.e.*, prime broker or rejected) will be removed from the database thirty days after the initial send date of the notice.

The proposed rule change is designed to eliminate the physical delivery and confirmation of LOFFs thereby providing DTC participants with a more timely and accurate messaging vehicle for these documents. In addition, by incorporating LOFFs into the PEX System, DTC will offer its participants an efficient means of tracking notices of LOFFs.

DTC believes that the proposed rule change is consistent with the requirements of Section 17A(b)(3)(A) of the Act<sup>8</sup> and the rules and regulations thereunder because it promotes efficiencies in the clearance and settlement of securities transactions.

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

DTC does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, in the public interest, and for the protection of investors.

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

DTC has not solicited participant comments on the proposed rule change. A working group of participants has requested that DTC incorporate LOFFs into the PEX system and has committed to using such a service.

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

The foregoing rule change has been effective pursuant to Section 19(b)(3)(A)(iii) of the Act<sup>9</sup> and Rule 19b-4(e)(4) thereunder<sup>10</sup> because it effects a change in an existing service of DTC that (i) does not adversely affect the safeguarding of securities or funds in the custody or control of DTC or for which it is responsible and (ii) does not significantly affect the respective rights or obligations of DTC or persons using the service. 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 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 DTC. All submissions should refer to File No. SR-DTC-97-18 and should be submitted by November 12, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 97-27758 Filed 10-20-97; 8:45 am]

BILLING CODE 8010-01-M

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-39234; File No. SR-MBSCC-97-7]

**Self-Regulatory Organizations; MBS Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Use of CUSIP Numbers in Processing Eligible Securities**

October 10, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on September 25, 1997, 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 proposed rule change amends MBSCC's rules to allow MBSCC to use CUSIP numbers to process eligible securities in addition to the current practice of using class codes.

**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.<sup>2</sup>

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

Currently, MBSCC processes transactions relating to eligible securities based on a ten character class code identifying the class of such securities.<sup>3</sup> To accommodate the March 1998 industry-wide conversion to a system based on a nine character CUSIP number, MBSCC will permit participants to submit transactions with either the appropriate class code or CUSIP number. MBSCC anticipates that as of January 1, 1999, it will accept only CUSIP numbers.<sup>4</sup> Other than this technical change from a class system to a CUSIP system, the processing of eligible securities will not change.

With respect to MBSCC's electronic pool notification ("EPN") system, there is no similar period of time during which EPN users can submit either the class code or CUSIP number. Beginning March 31, 1998, EPN will operate on a CUSIP number basis.

<sup>2</sup> The Commission has modified the text of the summaries prepared by MBSCC.

<sup>3</sup> "Class" is defined in MBSCC's rules as a particular type of eligible securities issues or guaranteed by the same agency and having the same coupon rate and date of maturity.

<sup>4</sup> At such time, MBSCC will submit a rule filing with the Commission under Section 19(b)(3)(A) of the Act to eliminate all references to class codes.

<sup>8</sup> 15 U.S.C. 78q-1(b)(3)(A).

<sup>9</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>10</sup> 17 CFR 240.19b-4(e)(4).

<sup>11</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

CUSIP numbers will be assigned based on the same factors as currently used for class codes. Standard & Poor's anticipates publishing CUSIPs for eligible securities no later than December 31, 1997.

MBSCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act<sup>5</sup> and the rules and regulations thereunder because it promotes efficiencies in the clearance and settlement of securities transactions.

*(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 that is 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*

No comments on the proposed rule change were solicited or received. MNSCC will notify the Commission of any written comments it receives.

**III. Date for 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)(iii)<sup>6</sup> of the Act and pursuant to Rule 19b-4(e)<sup>7</sup> promulgated thereunder because the proposal effects a change in an existing service of a registered clearing agency that (i) does not adversely affect the safeguarding of securities or funds in the custody or control of MBSCC or for which it is responsible and (ii) does not significantly affect the respective rights or obligations of MBSCC or persons using the service. 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 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-97-7 and should be submitted by November 12, 1997.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

**Margaret H. McFarland,**  
Deputy Secretary.

[FR Doc. 97-27759 Filed 10-20-97; 8:45 am]

BILLING CODE 8010-01-M

**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-39233; File No. SR-NSCC-97-09]

**Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Establishing Fees for the Annuities Processing Service**

October 10, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on August 14, 1997, the National Securities Clearing Corporation ("NSCC") 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 NSCC. 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 purpose of the proposed rule change is to establish fees for NSCC's annuities processing service ("APS").

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

In its filing with the Commission, NSCC included statements concerning the purpose of and statutory basis for the proposed rule change and discussed any comments it received on the proposed rule change. The test of these statements may be examined at the places specified in Item IV below. Set forth in sections (A), (B), and (C) below, are the most significant aspects of such statements.<sup>2</sup>

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

NSCC has filed and had approved by the Commission its APS.<sup>3</sup> APS is a centralized communication link that connects participating insurance carriers with broker-dealers, banks, and the broker-dealers' or banks' affiliated life insurance agencies where appropriate.

The purpose of this proposed rule change is to establish fees for NSCC's APS. Three categories of fees will be established. Membership fees will be \$335 per month. Transaction fees will be \$0.60 per 1,000 full positions, \$0.50 per 1,000 focused positions, and \$8.50 per 1,000 commission items. File fees will be \$15.00 per file per day for sending or receiving APS related files. The new fees became effective upon implementation of APS.

NSCC believes that the proposed rule change is consistent with Section 17A(b)(3)(D) of the Act,<sup>4</sup> which requires that the rules of a registered clearing agency provide for an equitable allocation of reasonable dues, fees, and other charges for services which it provides to its participants.

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

NSCC does not believe that the proposed rule change will impact or impose a burden on competition.

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

No written comments have been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

<sup>2</sup> The Commission has modified parts of these statements.

<sup>3</sup> Securities Exchange Act Release No. 39096 (September 19, 1997), 62 FR 50416 (order approving proposed rule change).

<sup>4</sup> 15 U.S.C. 78q-1(b)(3)(D).

<sup>5</sup> 15 U.S.C. 78q-1.

<sup>6</sup> 15 U.S.C. 78s(b)(3)(A)(iii).

<sup>7</sup> 17 CFR 240.19b-4(e).

<sup>8</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).