

will also meet the requirements of Item 22 of Schedule 14A under the 1934 Act.

6. Each Fund, and any Future Fund, will disclose in its respective prospectus the existence, substance, and effect of any order granted pursuant to the application. In addition, each Fund will hold itself out to the public as employing the management structure described in the application. The prospectus relating to a Fund will prominently disclose that the Adviser has the ultimate responsibility to oversee Subadvisers and recommend their hiring, termination and replacement.

7. Before a Fund may rely on the order requested by applicants, the operations of the Fund in the manner described in the application will have been or will be approved by a majority of that Fund's outstanding voting securities (or, in the case of a Fund offered by NSAT, the unitholders of any separate account for which that Fund serves as a funding medium), as defined in the Act. In the case of a Future Fund whose public shareholders (or separate account in the case of a Future Fund offered by NSAT) purchase shares on the basis of a prospectus containing the disclosure contemplated by condition 6 above, by the sole initial shareholder before offering shares of such Future Fund (or, in the case of a Future Fund offered by NSAT, units of the separate account for which that Fund serves as a funding medium) to the public.

8. No Trustee or officer of the Trusts or director or officer of the Adviser will own directly or indirectly (other than through a pooled investment vehicle that is not controlled by any such trustee, director or officer) any interest in a Subadviser except for: (i) Ownership of interests in the Adviser or any entity that controls, is controlled by or is under common control with the Adviser; or (ii) ownership of less than 1% of the outstanding securities of any class of equity or debt of a publicly-traded company that is either a Subadviser or an entity that controls, is controlled by, or is under common control with a Subadviser.

For the Commission, by the Division of Investment Management, under delegated authority.

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39834; File No. SR-EMCC-98-2]

Self-Regulatory Organizations; Emerging Markets Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change Relating to the Definition of "Settlement Day"

April 6, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on April 1, 1998, the Emerging Markets Clearing Corporation ("EMCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which items have been prepared primarily by EMCC. The Commission is publishing this notice and order to solicit comments from interested persons and to grant accelerated approval of 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 the definition of "Settlement Day" in EMCC's rules to provide for recommendations by trade organizations.

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

In its filing with the Commission, EMCC 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. EMCC 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

From time to time, trade associations, such as the Emerging Markets Trading Association ("EMTA")³, publish schedules that establish recommended trading and settlement dates for the emerging markets debt marketplace.

¹ 15 U.S.C. 78s(b)(1).

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

³ EMTA is the trade association of those involved in trading emerging market instruments.

According to EMCC, it needs to have the ability to coordinate its settlement activities in a manner that is consistent with the settlement schedule recommended by these organizations.

Currently, EMCC's rules define "settlement day" as the day on which an EMCC eligible instrument is scheduled to settle as established by the original counterparties to the transaction. The proposed rule change amends the definition of settlement day to enable EMCC to change the date designated as the settlement day by the counterparties if a trade organization recommends a different day as a settlement date. Before changing the settlement day, EMCC will issue an Important Notice to notify its members of the change. Nevertheless, the counterparties may use their original settlement date if they agree to settle their trade outside of EMCC.⁴

EMCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act and the rules and regulations thereunder because it will provide EMCC with the flexibility to coordinate settlement dates with the appropriate industry trade organizations.

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

EMCC does not believe that the proposed rule change will impose any 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 relating to the proposed rule change have been solicited or received. EMCC will notify the Commission of any written comments received by EMCC.

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

Section 17A(b)(3)(F) of the Act requires that the rules of a clearing agency be designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities. The Commission believes that allowing EMCC to amend the

⁴ As amended, settlement day will be defined as "the day on which the EMCC Eligible Instrument Transaction is scheduled to settle as established by the original contra-parties to the transaction. Notwithstanding the foregoing, if a trade organization issues a notice suggesting that a day not be a settlement date, and Members submit trades indicating such day as the Settlement Day, the Corporation, in its sole discretion, may change the Settlement Day to the next date with a settlement date as recommended by the trade organization."

definition of settlement day will enable EMCC to better coordinate its settlement activities with the recommendations of the appropriate trade associations.

EMCC has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of the filing. The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after publication of notice. EMTA has recommended that the emerging markets debt marketplace be closed in the U.S. on Good Friday, April 10, 1998, and has issued a settlement schedule recommending that transactions which would otherwise be scheduled to settle on April 10, 1998, settle on April 13, 1998. Accelerated approval will give EMCC adequate time to notify its members of the change in the settlement date.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. 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 EMCC. All submissions should refer to File No. SR-EMCC-98-2 and should be submitted by May 4, 1998.

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,⁵ that the proposed rule change (File No. SR-EMCC-98-2) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39833; File No. SR-MSRB-98-06]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of Proposed Rule Change Relating to Rule G-15(d)(ii) Concerning Automated Confirmation/Acknowledgment of Customer Transactions

April 6, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on April 3, 1998, the Municipal Securities Rulemaking Board ("Board" or "MSRB") 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 the Board. 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 Board is filing amendments to Board rule G-15(d)(ii), concerning automated confirmation/acknowledgment of customer transactions (hereafter referred to as "the proposed rule change"). The text of the proposed rule change is as follows:²

G-15 Confirmation, Clearance and Settlement of Transactions With Customers

- (a)-(c) No change.
- (d) Delivery/Receipt vs. Payment Transactions.
 - (i) No change.
 - (ii) *Requirement for Confirmation/Acknowledgment.*
 - (A) *Use of Registered Clearing Agency or Qualified Vendor.* Except as provided in this paragraph (ii) of rule G-15(d), no broker, dealer or municipal securities dealer shall effect a customer transaction for settlement on a delivery vs. payment or receipt vs. payment (DVP/RVP) basis unless the facilities of a [registered] Clearing Agency [registered with the Securities and Exchange

Commission (registered clearing agency)] or *Qualified Vendor* are used for automated confirmation and acknowledgment of the transaction. Each broker, dealer and municipal securities dealer executing a customer transaction on a DVP/RVP basis shall: (A) ensure that the customer has the capability, either directly or through its clearing agent, to acknowledge transactions in an automated confirmation/acknowledgment system operated by a [registered] Clearing Agency or *Qualified Vendor*; (B) submit or cause to be submitted to a [registered] Clearing Agency or *Qualified Vendor* all information and instructions required by the [registered] Clearing Agency or *Qualified Vendor* for the production of a confirmation that can be acknowledged by the customer or the customer's clearing agent; and (C) submit such transaction information to the automated confirmation/acknowledgment system on the date of execution of such transaction; provided that a transaction that is not eligible for automated confirmation and acknowledgment through the facilities of a [registered] Clearing Agency shall not be subject to this paragraph (ii).

(B) *Definitions for Rule G-15(d)(ii).*

(1) "*Clearing Agency*" shall mean a clearing agency as defined in Section 3(a)(23) of the Act that is registered with the Commission pursuant to Section 17A(b)(2) of the Act or has obtained from the Commission an exemption from registration granted specifically to allow the clearing agency to provide confirmation/acknowledgment services.

(2) "*Qualified Vendor*" shall mean a vendor of electronic confirmation and acknowledgment services that:

(A) for each transaction subject to this rule: (i) delivers a trade record to a Clearing Agency in the Clearing Agency's format; (ii) obtains a control number for the trade record from the Clearing Agency; (iii) cross-references the control number to the confirmation and subsequent acknowledgment of the trade; and (iv) electronically delivers any acknowledgment received on the trade to the Clearing Agency and includes the control number when delivering the acknowledgment of the trade to the Clearing Agency;

(B) annually certifies: (i) with respect to its electronic trade confirmation/acknowledgment system, that it has a capacity requirements evaluation and monitoring process that allows the vendor to formulate current and anticipated estimated capacity requirements; (ii) that its electronic trade confirmation/acknowledgment

⁵ 15 U.S.C. 78s(b)(2).

⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² Italicizing indicates new language; [brackets] indicate deletions.