

Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submissions, all subsequent amendments, all written statements with respect to the proposed rule changes that are filed with the Commission, and all written communications relating to the proposed rule changes 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 and at the principal offices of MCC and MSTC. All submissions should refer to File Nos. SR-MCC-95-01 and SR-MSTC 95-04 and should be submitted by May 4, 1995.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁴

Jonathan G. Katz,
Secretary.

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[Release No. 34-35568; File No. SR-NYSE-95-03]

Self-Regulatory Organizations; New York Stock Exchange, Inc.; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Fees for the Initial Comparison of Equity Security Trade Sides Submitted for Comparison Through the On-Line Comparison System

April 5, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on February 21, 1995, the New York Stock Exchange, Inc. ("NYSE") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-NYSE-95-03) as described in Items I, II, and III below, which Items have been prepared primarily by NYSE. 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 rule change modifies NYSE's fee structure for trade comparison. Commencing on or about March 1, 1995, NYSE will charge participants for the comparison of each side of a trade in an

equity security² submitted to it on the day of the trade ("initial trade data") through its On-Line Comparison System ("OCS"). NYSE has not previously charged for this service.

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

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

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

On August 15, 1994, NYSE began requiring its clearing members to submit listed equity comparison data to NYSE's OCS within two hours of the time of a trade's execution or at two-hour intervals (e.g., 12:00 noon, 2:00 p.m., 4:00 p.m., and 6:00 p.m.) on each business day.³ Under this procedure, by the end of each trading day NYSE forwards the day's initial trade data, which consists of both compared and un-compared trades, to a qualified clearing agency for final processing.⁴ From August 1994 to date, NYSE has provided these OCS services to its clearing members without charge. NYSE states, however, that its costs for providing these services have been rising due to increased usage and that it now proposes to recoup some of these additional costs by charging a processing fee based on the number of

² For the purposes of this rule proposal, NYSE is using the term "side" to mean a purchase or a sale that consists of two or more separate transactions made with the same firm, in the same security, at the same price, on the same side of the market, and which have been added together and submitted for comparison as one item. NYSE refers to this process as summarization.

³ For background on NYSE's trade date comparison procedure, refer to Securities Exchange Act Release No. 34153 (June 3, 1994), 59 FR 30071 [File No. SR-NYSE-94-08] (order approving proposed rule change).

⁴ For the purpose of this rule proposal, the term "qualified clearing agency" means a clearing agency that: (1) is registered under the Act, (2) maintains facilities through which NYSE's trades may be compared or settled, (3) has agreed to supply NYSE with data in connection with NYSE's compliance duties under the Act, and (4) has agreed to establish rules and procedures to facilitate the comparison of transactions as provided in NYSE Rule 130 (i.e., NYSE's principal rule governing trade comparison). NYSE Rule 130, Supplementary Material .10 and NYSE Rule 132, Supplementary Material .10.

shares per sides. While the NYSE will continue charging no fee for sides from one share to 999 shares, the fee for each side from 1,000 shares to 2,999 shares will be \$0.06, and the fee for each side for 3,000 shares to any higher amount will be \$0.18. As noted, the NYSE will commence charging this new fee on or about March 1, 1995.

NYSE believes the rule change provides for the equitable allocation of fees among its members. Therefore, NYSE believes the rule change is consistent with the requirements of the Act and particularly with Section 6(b)(4) of the Act.⁵

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

NYSE believes that the proposed rule changes will not impose any burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

NYSE has neither solicited nor received any written comments on the proposed rule change.

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) of the Act⁶ and subparagraph (e)(2) of Rule 19b-4 thereunder because it establishes a due, fee, or other charge imposed by NYSE.⁷ 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

⁵ 15 U.S.C. 78q-1(f)(b)(4) (1988).

⁶ 15 U.S.C. 78s(b)(3)(A)(ii) (1988).

⁷ 17 CFR 204.19b-4(e)(4) (1994).

⁴ 17 CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. 78s(b)(1) (1988).

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 Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of NYSE. All submissions should refer to File No. SR-NYSE-95-03 and should be submitted by May 4, 1995.

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

Jonathan G. Katz,
Secretary.

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[Release No. 34-35574; File No. SR-PTC-95-02]

Self-Regulatory Organizations; Participants Trust Company; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change Modifying PTC's Program for the Early Distribution of Principal and Interest on Government National Mortgage Association I Securities

April 6, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on March 7, 1995, the Participants Trust Company ("PTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-PTC-95-02) as described in Items I and II below, which Items have been prepared primarily by PTC. The Commission is publishing this notice and order to solicit comments on the proposed rule change 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 modifies PTC's program for the early distribution of principal and interest ("P&I") on Government National Mortgage Association ("GNMA") I securities.

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

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

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

Background

Before November 1993, PTC's rules and procedures provided that PTC disburse P&I by means of a credit to participants' cash balances. This resulted in participants receiving at the end of the day as part of the settlement process the amount of the P&I net of any account debits and/or credits. In November 1993, PTC's rules were amended to eliminate the requirement that P&I be disbursed by means of a credit to participants' cash balances and to permit PTC to make intraday Fedwire distributions of collected and available GNMA I P&I.²

PTC's present program for the early distribution of GNMA I P&I permits the distribution of up to fifty percent of collected and available P&I on GNMA I securities by intraday Fedwire transfer of funds on the distribution date, generally the sixteenth day of the month, with the balance distributed by credit to participant's cash balances payable at the end of the day settlement.³ Participants are permitted to elect to receive the intraday distribution or they may choose to receive the entire distribution at the end of the day settlement.⁴

² PTC Rules, Article III, Rule 2, Section 1, "Principal and Interest Payments." For a complete description of PTC's amendments, refer to Securities Exchange Act Release Nos. 33132 (November 9, 1993), 58 FR 59501 [File No. SR-PTC-93-02] (order approving proposed rule change) and 33856 (April 12, 1994), 59 FR 59501 [File No. SR-PTC-93-05] (order approving proposed rule change).

³ In November 1994, the intraday distribution program was extended to permit early distribution of one hundred percent of collected and available GNMA II P&I. Securities Exchange Act Release No. 34988 (November 18, 1994), 59 FR 61016 [File No. SR-PTC-94-05] (order approving proposed rule change).

⁴ PTC disbursed a total of \$103.9 billion in GNMA I P&I payments to its participants in 1994, of which \$51.1 billion was distributed intraday. As of

Unlike the GNMA II program, there is no central paying agent for GNMA I securities and issuers make payment to PTC directly, sometimes by means of a check. Because of these inefficiencies in collecting and disbursing GNMA I P&I, PTC funds the total GNMA I P&I disbursement from several sources: (1) collected and available P&I payments that are timely received; (2) PTC's own funds; (3) the cash portion of the participants fund; and (4) borrowed funds secured by the P&I receivables or the securities portion of the participants fund.

GNMA I P&I Proposal

PTC proposes to increase the percentage of collected and available GNMA I P&I that may be distributed intraday, from the current maximum of fifty percent to a maximum of sixty-five percent of the total distribution, commencing with the April 1995 GNMA I distribution. PTC believes that based on PTC's experience with the GNMA I collection process, an amount in excess of sixty-five percent may reasonably be anticipated to be available by noon on the distribution date for disbursement intraday.⁵ The balance would be distributed by means of a credit to the participants' credit balances payable at the end of the day settlement, as is currently the practice. In the event the amount of collected and available funds is insufficient to make the scheduled intraday distribution amount, whether it be the current fifty percent maximum or the proposed sixty-five percent maximum, the shortfall is allocated ratably among participants scheduled to receive intraday distribution according to the relative amounts of their scheduled distributions.

PTC believes that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act⁶ and the rules and regulations thereunder in that it facilitates the prompt and accurate clearance and settlement of securities transactions and provides for the safeguarding of securities and funds in PTC's custody or control or for which PTC is responsible.

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

PTC does not believe that the proposed rule change will impose any burden on competition not necessary or

February 1, 1995, fifty participants elected to receive the intraday distribution.

⁵ During 1994, an average of 72.5% of funds to be distributed were available by 12 noon on the distribution date.

⁶ 15 U.S.C. 78q-1(b)(3)(F) (1988).

⁸ 17 CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. 78s(b)(1) (1988).