Room. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to the File No. SR–CHX–2004–09 and should be submitted by April 1, 2004.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[18]

Jill M. Peterson,

Assistant Secretary.

[FR Doc. 04–5549 Filed 3–10–04; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–49363; File No. SR–FICC–2004–03]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Deleting the Government Securities Division's Late Trade Data Submission Fine and Amending the Government Securities Division's Clearing Fund Rule

March 4, 2004.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on February 19, 2004, the Fixed Income Clearing Corporation (''FICC'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change described in Items I, II, and III below, which items have been prepared primarily by FICC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

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 (i) delete the Late Trade Data Submission Fine from the rules of the Government Securities Division (''GSD'') and (ii) amend GSD's clearing fund rule.

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

In its filing with the Commission, FICC 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. FICC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.[2]

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

Late Trade Data Submission Fine Deletion

On November 14, 2001, the Government Securities Clearing Corporation (''GSCC''), FICC's predecessor, received Commission approval to fine members for submitting trade data after GSCC's 8:00 p.m. (New York time) trade data submission deadline.[3] The fine schedule was originally drafted and approved when many members were still submitting trade data in single batches at the end of the business day. GSCC did not implement the fine schedule because at the time of approval a majority of its members had begun submitting trade data in real-time. The fine schedule is no longer necessary, and FICC desires to delete it from GSD's rules.

Clearing Fund Rule Amendment

On July 21, 2003, FICC received Commission approval to reduce the permitted use of letters of credit from 70 percent to 25 percent of a GSD member's required clearing fund deposit.[4] The reference to ''70'' percent in Rule 4, Section 4 was amended in the approved filing, and FICC is seeking to amend the other reference to ''70'' percent in Rule 4, Section 10 that was inadvertently overlooked.

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

FICC does not believe that the proposed rule change will have any impact or impose any burden on competition.

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

Written comments relating to the proposed rule change have not yet been solicited or received. FICC will notify the Commission of any written comments received by FICC.

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

The foregoing rule change relating to the deleted fine has become effective upon filing pursuant to Section 19(b)(3)(A)(ii) of the Act[5] and Rule 19b–4(f)(2)[6] thereunder because the proposed rule establishes or changes a due, fee, or other charge. The foregoing rule change relating to the amended clearing fund rule has become effective upon filing pursuant to Section 19(b)(3)(A)(iii) of the Act[7] and Rule 19b–4(f)(4)[8] thereunder because the proposed rule change effects a change in an existing service of FICC that (i) does not adversely affect the safeguarding of securities or funds in the custody or control of FICC or for which it is responsible and (ii) does not significantly affect the respective rights or obligations of FICC or its members 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, 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, NW., Washington, DC 20549–0609. Comments may also be submitted electronically at the following e-mail address: *rule-comments@sec.gov.* All comment letters should refer to File No. SR–FICC–2004–03. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, comments should be sent in either hardcopy or by e-mail but not by both methods. 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

[18] 17 CFR.200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] The Commission has modified the text of the summaries prepared by FICC.

[3] Securities Exchange Act Release No. 45053 (November 14, 2001), 66 FR 58771 [File No. SR–GSCC–00–09].

[4] Securities Exchange Act Release No. 48200 (July 21, 2003), 68 FR 44130 [File No. SR–GSCC–2002–11].

[5] 15 U.S.C. 78s(b)(3)(A)(ii).

[6] 17 CFR 240.19b–4(f)(2).

[7] 15 U.S.C. 78s(b)(3)(A)(iii).

[8] 17 CFR 240.19b–4(f)(4).

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 20549–0609. Copies of such filing also will be available for inspection and copying at the principal office of FICC and on FICC's Web site at *http://www.ficc.com/gov/gov.docs.jsp?NS-query=*. All submissions should refer to File No. SR–FICC–2004–03 and should be submitted by April 1, 2004.

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

J. Lynn Taylor,

Assistant Secretary.

[FR Doc. 04–5552 Filed 3–10–04; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–49368; File No. SR–MSRB–2004–01]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to Interpretation of Rules G–37, on Political Contributions and Prohibitions on Municipal Securities Business, and G–38, on Consultants

March 5, 2004.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on February 25, 2004, the Municipal Securities Rulemaking Board (''MSRB'' or ''Board'') filed with the Securities and Exchange Commission (''Commission'' or ''SEC'') the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the MSRB. 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 MSRB has filed with the SEC a proposed rule change consisting of a notice of interpretation concerning Rules G–37, on political contributions and prohibitions on municipal securities business, and G–38, on consultants. The text of the proposed rule change is set forth below.

* * * * *

Questions and Answers: Rule G–37

1.

Q. Are dealers required to identify the type of contributor (*i.e.* dealer, dealer controlled PAC, MFP, MFP controlled PAC, or non-MFP executive officer) when completing Form G–37/G–38?

A. Yes. Rule G–37 (e)(i)(2) requires dealers to report to the Board on its Form G–37/G–38 the contribution or payment amount made *and* the contributor category of each of the following persons and entities making such contributions or payments during each calendar quarter: the broker, dealer or municipal securities dealer; each municipal finance professional; each non-MFP executive officer; and each political action committee controlled by the broker, dealer or municipal securities dealer or by any municipal finance professional. It is not sufficient to list contributors as ''employee'' or ''registered representative.'' For each contribution listed on the Form G–37/G–38, one of the specified contributor categories must be identified.

2.

Q. How should contributions to officials of issuers who are seeking federal office be reported on Form G–37/G–38?

A. Under Rule G–37, contributions given to officials of issuers who are seeking election to federal office, such as the U.S. House of Representatives, Senate or the Presidency, must be reported on the dealer's quarterly Form G–37/G–38 unless they meet the *de minimis* exception. When reporting these contributions, dealers must report information identifying the issuer official. Firms may additionally report information identifying the federal office sought. For example, if a sitting Governor of a state were running for a seat in the U.S. House of Representatives, and the Governor is an ''official of an issuer,'' the form must list the state where the official is serving as Governor, and the Governor's complete name and title. Dealers may also report the federal office sought by the issuer official.

Questions and Answers: Rule G–38

1.

Q: Pursuant to Rule G–38, what information is a dealer required to disclose regarding money paid to its consultants?

A: Rule G–38 requires that dealers disclose information relating to money paid to consultants in three separate areas on Form G–37/G–38. These disclosures relate to the consultant's compensation arrangement, dollar amounts paid to the consultant in connection with specific municipal securities business, and the total dollar amount paid to the consultant during the reporting period.

Dealers should describe their consultants' ''compensation arrangements'' clearly and with as much specificity as possible. The arrangement should correlate with the information reported on the form concerning the ''total dollar amount paid'' to the consultant during the reporting period. It is not sufficient to disclose a compensation arrangement in vague or generalized terms, such as ''a monthly retainer not related to any specific transaction,'' ''a percentage of net revenues received for transactions with xyz issuer,'' or ''a percentage of management fees and takedown from specified transactions.'' Dealers must report information on their consultants' compensation arrangements with specificity, for example, by providing the dollar amount of the monthly retainer or the numeric formulations used to calculate compensation. Dealers should also provide the dollar amount or numeric formulations used to calculate success fees, discretionary bonuses, and similar payments made or to be made to consultants. For example, it is not sufficient to report that a discretionary bonus or success fee will be ''equal to a percentage of the net investment banking fees received on certain transactions.'' Rather, the dealer should disclose the fee or payment as a *specific* (numeric) percentage of profits.

Dealers also are required to disclose on Form G–37/G–38 information relating to ''municipal securities business obtained or retained'' by the consultant. This section of the form requires the dealer to list each item of business separately and, if applicable, to indicate the dollar amount paid to the consultant in connection with each item of municipal securities business listed. Dealers are reminded to list the relevant municipal securities business obtained or retained in this section of Form G–37/G–38 even if payments were not paid to the consultant in connection with the listed municipal securities business during that quarter.

Finally, dealers are required to disclose on Form G–37/G–38 information relating to ''total dollar amounts paid to the consultant during the reporting period.'' The dealer must report the cumulative total of *all* payments made to its consultant during the particular quarter. Such payments include compensation paid for that quarter (including reimbursed expenses)

[9] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.