

broker is labor intensive, requires more time to complete, and results in more fails than transactions processed through a registered clearing agency. The labor intensive nature of broker-to-broker processing may introduce errors into the process from keystroke errors, manually handling documents, delivery errors, and payment errors. Further, the increase in the number of failed trades and the corresponding increase in potential financial exposure to members creates systemic clearance risk.

II. Discussion

Section 15A(b)(6) of the Act⁴ requires that the rules of the NASD be designed to perfect the mechanism of a national market system, and, in general, to protect investors and the public interest. By requiring its members to clear transactions in corporate debt securities through the facilities of a registered clearing agency, the proposed rule change should reduce the number of failed trades and should reduce or eliminate the risks and inefficiencies associated with broker-to-broker clearance and settlement of such transactions which should further the goal of a national market system. As a result of the rule, more trades will have the benefit of a clearing agency's guarantee of trade settlement and risk and thereby enhance investor protection.

Furthermore, the move to three day settlement of securities transactions on June 7, 1995, will reduce the time available to complete all tasks necessary to settle a transaction.⁵ By increasing the number of transactions that must be settled through the facilities of a registered clearing agency, the rule also facilitates the implementation of a three day settlement.

The NASD 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 so approving the proposed rule because accelerated approval will permit the NASD to notify their members two weeks before the effective date of the rule. Such notification should help the NASD and its members to implement the rule in an orderly manner while still permitting the rule to become effective shortly after the implementation of T+3 settlement, which is scheduled to occur on June 7, 1995.

III. Conclusion

For the reasons stated above, the Commission finds that NASD's proposal is consistent with Section 15A of the Act.⁶

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change (File No. SR-NASD-95-11) be and hereby is approved, effective June 30, 1995.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-13466 Filed 6-1-95; 8:45 am]

BILLING CODE 8010-01-M

Under Review by Office of Management and Budget

Agency Clearance Officer: Michael E. Bartell, (202) 942-8800

Upon Written Request, Copy Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549

Extension:

Rule 23c-3, File No. 270-373

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1980 (44 U.S.C. 3501 *et seq.*), the Securities and Exchange Commission (the "SEC") has submitted for extension of OMB approval Rule 23c-3 under the Investment Company Act of 1940 [17 CFR 270.23c-3].

Rule 23c-3 permits closed-end management investment companies to make periodic repurchase offers to shareholders at net asset value. These repurchases are exempt from the disclosure and filing requirements of the tender offer rules under the Securities Exchange Act of 1934. Rule 23c-3 requires closed-end funds making repurchase offers to give shareholders before each offer a notification containing specified information, to file three copies of the notification with the Commission, to describe the fund's repurchase policy and the results of recent repurchase offers in the annual report to shareholders, and to cause fund directors to adopt and maintain written procedures designed to preserve a sufficiently liquid investment portfolio. An estimated 10 respondents together incur 320 burden hours annually to comply with the requirements, under new estimates

reflecting a program change and an adjustment.

In addition, closed-end funds relying on the rule must file copies of advertisements and other sales literature with the Commission unless already filed with the National Association of Securities Dealers (NASD). Respondents generally incur no burden hours to comply with this requirement because each fund's principal underwriter must comply with separate NASD rules requiring the filing of such materials with the NASD.

Direct general comments to the OMB Clearance Officer for the Securities and Exchange Commission at the address below. Direct any comments concerning the accuracy of the estimated average burden hours for compliance with SEC rules or forms to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549 and to OMB Clearance Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Paperwork Reduction Act Number 3235-0422, Office of Management and Budget, Room 3208, New Executive Office Building, Washington, DC 20543.

Dated: May 22, 1995.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-13535 Filed 6-1-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-35772; File No. SR-PHLX-95-34]

Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Notice of Filing of Proposed Rule Change Regarding Depository Eligibility Requirements

May 26, 1995.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on May 19, 1995, the Philadelphia Stock Exchange, Inc. ("PHLX") 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 PHLX. On May 18, 1995, PHLX filed an amendment to the rule filing.² The Commission is publishing this notice to solicit comments from interested persons.

¹ 15 U.S.C. 78s(b)(1) (1988).

² Letter from Sharon S. Metzger, PHLX, to Christine Sibille, Senior Counsel, Division of Market Regulation, Commission (May 18, 1995).

⁴ 15 U.S.C. 78o-3(b)(6) (1988).

⁵ Securities Exchange Act Release No. 33023 (October 6, 1993), 58 FR 52891 (adopting Rule 15c6-1) and 34952 (November 9, 1994), 59 FR 59137 (changing effective date from June 1, 1995, to June 7, 1995).

⁶ 15 U.S.C. 78o-3 (1988).

⁷ 15 U.S.C. 78s(b)(2) (1988).

⁸ 17 CFR 200.30(a)(12) (1994).