

NSCC or for which it is responsible. The Commission believes the proposed rule change is consistent with these requirements because it will allow NSCC faster and more efficient access to critical risk-based data of its members and its members' correspondent broker-dealers which should allow for more rapid integration of such information into NSCC's risk management system. Moreover, because NSCC now will have direct access to this information from the NASD and the NYSE, NSCC should be able to better monitor the activities of its members and their correspondent broker-dealers which should assist NSCC in fulfilling its obligation under Section 17A to safeguard securities and funds under NSCC's custody or control or for which it is responsible.

NSCC has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after publication of the notice of filing. The Commission finds good cause because accelerated approval will permit NSCC to receive the risk-based information regarding its members and their correspondent broker-dealers directly from the NASD and the NYSE thus enabling NSCC to include the information in its risk management system in a more timely fashion. Furthermore, because the risk-based information NSCC will receive from the NASD and the NYSE is information NSCC's members are obligated to and already do submit to NSCC, the Commission does not expect to receive any adverse comments on the proposed rule change.

#### IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submission should file six copies thereof with the 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 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 Room, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filings will also be available for inspection and copying at the principal

office of NSCC. All submissions should refer to the file number SR-NSCC-95-16 and should be submitted by February 9, 1996.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-NSCC-95-16) be, and hereby is, approved on an accelerated basis.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>5</sup>

Margaret H. McFarland,  
*Deputy Secretary.*

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[Release No. 34-36698; File No. SR-NASD-95-51]

#### **Self-Regulatory Organizations; Order Approving Proposed Rule Change by National Association of Securities Dealers, Inc. Regarding Rearranging of Rules and a New Rule Numbering System for The NASD Manual**

January 11, 1996.

On November 3, 1995, the National Association of Securities Dealers, Inc. ("NASD" or "Association") filed a proposed rule change with the Securities and Exchange Commission ("SEC" or "Commission") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder.<sup>2</sup> The proposed rule change rearranges the current NASD Manual by renumbering the Rules of the Association.

Notice of proposed rule change, together with the substance of the proposal as initially filed, was provided by issuance of a Commission release (Securities Exchange Act Release No. 36517, November 27, 1995) and by publication in the Federal Register (60 FR 62116, December 4, 1995). No comment letters were received. This order approves the proposed rule change.

The NASD Manual currently is arranged with multiple rule sections with each section of rules subsequently indexed in various ways. This rule change is a non-substantive reorganization of the existing Rules. All Rules in the NASD Manual, including not only the current Rules of Fair Practice, but also such specialized Rules as the PORTAL Rules, Nasdaq Rules, Code of Arbitration Procedure, and so forth, have been numbered consecutively throughout the Manual

<sup>5</sup> 17 CFR 200.30-3(a)(12)(1994).

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

<sup>2</sup> 17 CFR 240.19b-4

and considered together as "Rules." In addition, a common numbering and naming scheme for subdivisions within a Rule has been implemented.

The NASD proposes to make the rule change effective no later than six months from the date of approval, although it anticipates an effective date no later than May 1, 1996.<sup>3</sup> The NASD will provide notice to its membership of the definite effective date by way of publication in the Notice to Members.<sup>4</sup> In the interim period between the date of approval and the effective date of the revised Rules, any proposed rule changes by the NASD will include the old rule language and number, with a footnote which will indicate the new rule language and number. Any future NASD rule proposals will also refer to the Commission's approval order and the planned effective date of the revision. This should minimize any confusion to the industry and to the public.

The Commission finds that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act<sup>5</sup> because the rule change will protect investors and the public interest by simplifying the layout of the NASD Manual. There will now be a more logical progression of the Rules within the Manual. This in turn will assist NASD members and non-members in utilizing the Manual.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that File No. SR-NASD-95-51 be, and hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 96-541 Filed 1-18-96; 8:45 am]

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<sup>3</sup> See Letter from Suzanne E. Rothwell, Associate General Counsel, NASD, to Mark P. Barracca, Branch Chief, Over-the-Counter Regulation, Division of Market Regulation, SEC, dated January 4, 1996 ("Amendment No. 1").

<sup>4</sup> In addition, the NASD will file a proposed rule change, pursuant to Section 19(b)(3)(A) of the Act, with the Commission to ensure proper notice in the Federal Register of the definitive effective date.

<sup>5</sup> 15 U.S.C. 78o-3.

<sup>6</sup> 17 CFR 200.30-3(a)(12).