

a majority of the trustees or directors who are not "interested persons," as defined in section 2(a)(19), will find that advisory fees charged under the contract are based on services provided that are in addition to, rather than duplicative of, services provided under any Underlying Portfolio advisory contract. The finding, and the basis upon which the finding was made, will be recorded fully in the minute books of the Asset Director® Fund.

6. Applicants agree to provide the following information, in electronic format, to the Chief Financial Analyst of the SEC's Division of Investment Management: monthly average total assets of each Asset Director® Fund and each underlying Portfolio; monthly purchases and redemptions (other than by exchange) for each Asset Director® Fund and each Underlying Portfolio; monthly exchanges into and out of each Asset Director® Fund and each Underlying Portfolio; month-end allocations of each Asset Director® Fund's assets among the Underlying Portfolios; annual expense ratios for each Asset Director® Fund and each Underlying Portfolio; and a description of any vote taken by the shareholders of any Underlying Portfolio, including a statement of the percentage of votes cast for and against the proposal by each Asset Director® Fund and by the other shareholders of the Underlying Portfolio. Such information will be provided as soon as reasonably practicable following each fiscal year-end of the Asset Director Fund® (unless the Chief Financial Analyst shall notify applicants in writing that such information need no longer be submitted).

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

Margaret H. McFarland,

Deputy Secretary.

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Release Nos. 33-7262; 34-36792

[File No. 265-20]

Advisory Committee on the Capital Formation and Regulatory Processes; Meeting

AGENCY: Securities and Exchange Commission.

ACTION: Notice of Meeting.

SUMMARY: This is to give notice that the Securities and Exchange Commission Advisory Committee on the Capital Formation and Regulatory Processes

will meet on February 22, 1996 in room 1C30 at the Commission's main offices, 450 Fifth Street, NW., Washington, DC, beginning at 10:00 a.m. The meeting will be open to the public, and the public is invited to submit written comments to the Committee.

ADDRESSES: Written comments should be submitted in triplicate and should refer to File No. 265-20. Comments should be submitted to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549.

FOR FURTHER INFORMATION CONTACT: David A. Sirignano, Committee Staff Director, at 202-942-2870; Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549.

SUPPLEMENTARY INFORMATION: In accordance with section 10(a) of the Federal Advisory Committee Act, 5 U.S.C. App. 10a, notice is hereby given that the Committee will meet on February 22, 1996 in room 1C30 at the Commission's main offices, 450 Fifth Street, NW., Washington, DC, beginning at 10:00 a.m. The meeting will be open to the public.

The Committee was formed in February 1995, and its responsibilities include advising the Commission regarding the informational needs of investors and the regulatory costs imposed on the U.S. securities markets. The purpose of this meeting will be to discuss the progress of the Committee's work and to discuss, and possibly vote on, the Committee's report.

Dated: January 31, 1996.

Jonathan G. Katz,

Secretary.

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[Release No. 34-36788; International Series Release No. 924 File No. SR-GSCC-95-05]

Self-Regulatory Organizations; Government Securities Clearing Corporation; Order Approving a Proposed Rule Change Permitting Entities Established or Organized in a Foreign Country To Become Members of GSCC's Netting System

January 30, 1996.

On October 6, 1995, the Government Securities Clearing Corporation ("GSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-GSCC-95-05) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").¹ On October 30, 1995, GSCC filed an amendment to the

proposed rule change.² Notice of the proposal was published in the Federal Register on December 11, 1995.³ No comment letters were received. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

I. Description

Currently, under GSCC's rules an entity that is organized or established under the laws of a country other than the United States ("foreign entity") is eligible to apply to become a member of GSCC's comparison system if it has demonstrated to GSCC that its business and capabilities are such that it could reasonably expect material benefit from direct access to GSCC's services. Prior to this rule change, a foreign entity was not eligible for any of GSCC's eleven enumerated categories of netting system membership.⁴ The proposed rule change permits foreign entities that are regulated in a manner comparable to domestic entities eligible for GSCC membership to become members of GSCC's netting system. The rule change also establishes application and continuing membership requirements for foreign entities for both the comparison and netting systems.

1. Legal Considerations

To address the particular jurisdictional concerns raised by the admission of foreign entities to netting system membership, GSCC will require foreign netting system applicants to enter into a special netting member agreement ("Agreement") and to submit an opinion of foreign counsel ("Opinion"). The Agreement requires the foreign netting system applicant to adhere to GSCC's rules and provides that the Agreement shall be governed by and construed in accordance with the laws of the State of New York. The Opinion must provide that the execution by the foreign entity of the

² Letter from Jeffrey F. Ingber, General Counsel and Secretary, GSCC, to Jerry W. Carpenter, Assistant Director, Division of Market Regulation, Commission (October 26, 1995).

³ Securities Exchange Act Release No. 36544 (December 1, 1995), 60 FR 63555.

⁴ Foreign entities have been among the more significant participants in the government securities marketplace and trade actively with many current netting members. GSCC has maintained a list of "grandfathered" entities which are non-netting system members that historically have done business with GSCC's interdealer netting members. Business done by the interdealer broker netting members with grandfathered entities is treated by GSCC as business done with an actual netting member. Six of the seven firms on GSCC's list of grandfathered entities (Daiwa Europe Ltd.; Nikko Europe PLC; The Nikko Securities Co., Ltd. Tokyo; Nomura International PLC, London; Nomura International Inc., Tokyo; and Nomura Securities Co., Ltd. (Tokyo) are foreign entities.

¹ 15 U.S.C. § 78s(b)(1) (1988).