

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

No written comments were solicited or received with respect to the proposed rule change.

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

The foregoing rule change constitutes or changes a due, fee, or other charge imposed by the Exchange and, therefore, has become effective pursuant to Section 19(b)(3)(A) of the Act<sup>4</sup> and subparagraph (e) of Rule 19b-4 thereunder.<sup>5</sup>

At any time within sixty days of the filing of such proposed 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 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 at the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing also will be available for inspection and copying at the principal office of the Cincinnati Stock Exchange. All submissions should refer to File No. SR-CSE-96-03 and should be submitted by March 20, 1996.

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

Margaret H. McFarland,  
Deputy Secretary.  
[FR Doc. 96-4494 Filed 2-27-95; 8:45 am]  
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[Release No. 34-36868; File No. SR-PCC-96-01]

**Self-Regulatory Organizations; Pacific Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Amending Certain Provisions of the Pacific Clearing Corporation Rules and Participant Agreement**

February 21, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (Act),<sup>1</sup> notice is hereby given that on February 14, 1996, the Pacific Clearing Corporation ("PCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-PCC-96-01) as described in Items I and II below, which Items have been prepared primarily by PCC. The Commission is publishing this notice and order to solicit comments 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

PCC proposes certain amendments to its rules and Participants Agreement to accommodate the securities industry's conversion to same-day funds<sup>2</sup> settlement ("SDFS") scheduled for February 22, 1996. The proposal also seeks to make technical clarifications to certain of its rules unrelated to the conversion to SDFS.

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

In its filing with the Commission, PCC included statements concerning the purpose of and basis for the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. PCC has prepared summaries, set forth in Section (A), (B), and (C) below, of the most significant aspects of such statements.<sup>3</sup>

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1988).

<sup>2</sup> The term "same-day funds" refers to payment in funds that are immediately available and generally are transferred by electronic means.

<sup>3</sup> The Commission has modified the text of the summaries submitted by PCC.

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

On February 22, 1996, the securities industry is scheduled to convert money settlement of securities transactions (*i.e.*, corporate and municipal securities) and principal and interest payments from next-day funds<sup>4</sup> settlement ("NDFS") to SDFS. In the SDFS environment, the daily trade settlement amounts must be paid in same-day funds rather than next-day funds as is currently the standard. The conversion will affect payments for settlements among clearing corporations (*e.g.*, PCC), depositories, and financial intermediaries and between financial intermediaries and their institutional clients. The conversion will not affect payments to and from retail investors.

The amendments to PCC Rules 2.2(d) and 3.4(e) are designed to ensure that PCC can effect daily money settlement with specialist firms and the National Securities Clearing Corporation ("NSCC") in a timely manner. Specifically, Rule 2.2, governing the financial responsibility and operational capability of PCC members, is being amended to provide that PCC may collect additional deposits from members to assure adequate financial responsibility or operational capability. Rule 3.4, governing settlement of member accounts, is being amended to require that members provide funds to PCC for settlement in a manner and form acceptable to PCC. Rule 7.4 is also being amended to require, at PCC's discretion, that a portion of the funds shall be held in a form directly accessible by PCC. The proposal makes similar changes to PCC's participants agreement.<sup>5</sup> The changes will allow PCC to modify its cash management system to minimize wire transfers between PCC and firm bank accounts.

The amendments to PCC Rule 2.1(b), governing membership, and to Rules 7.4 and 7.5(c)(i), governing the clearing fund, are clarifications of language and do not change the substance of these rules.<sup>6</sup> The changes are not related to the conversion to SDFS.

PCC believes the proposed rule change is consistent with Section

<sup>4</sup> The term "next-day funds" refers to payment by means of certified checks passing between the clearing corporation and its members.

<sup>5</sup> The amendments to the Participants agreement are to paragraphs 3.1(c)(ii) and (iii) regarding cashing services, 3.1(e)(i) and (ii) regarding back office services, and 4.6 regarding obligations of participants.

<sup>6</sup> The specific changes being made to these rules are attached to PCC's proposed rule change as Exhibit A, which is available in the Commission's Public Reference Room or through PCC.

<sup>4</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>5</sup> 17 CFR 240.19b-4.

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

17A(b)(3) because it is designed to promote the prompt and accurate clearance and settlement of securities transactions.

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

PCC does not believe the proposed rule changes will impose a burden on competition.

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

No comments were received from members.

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

Section 17A(b)(3)(F) of the Act<sup>7</sup> requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions. The Commission believes PCC's proposed rule change is consistent with PCC's obligations under Section 17A(b)(3)(F) because the proposed rule change should facilitate PCC's conversion entirely to an SDFS system by including provisions in PCC's rules to enable PCC to settle with its participants and NSCC in same day funds. The amended rules and Participants Agreement should provide PCC with prompt receipt of or access to members' funds, which will be necessary to settle in a timely manner in an SDFS environment. The overall conversion to an SDFS system should help reduce systemic risk by, among other things, eliminating overnight credit risk. The SDFS system also should reduce risk by achieving closer conformity with the payment methods used in the derivatives markets, government securities markets, and other markets.

PCC 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 filing. The Commission finds good cause for so approving the proposed rule change because the proposed rule change modifies PCC's rules in anticipation of PCC's and the securities industry's conversion to an SDFS system on February 22, 1996. Accelerated approval of the proposal will allow PCC to effect the conversion and to implement the

safeguards provided under the rules and amended Participants Agreement.

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, NW., Washington, DC 20549. Copies of the submission, 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 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. § 522, will be available for inspection and copying in the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC. Copies of such filing will also be available for inspection and copying at the principal office of PCC. All submissions should refer to SR-PCC-96-01 and should be submitted by March 20, 1996.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File Nos. SR-PCC-96-01) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96-4450 Filed 2-27-96; 8:45 am]

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DEPARTMENT OF STATE

[Public Notice No. 2341]

**U.S. State Department Overseas Security Advisory Council; Notice of Closed Meeting**

The Department of State announces a meeting of the U.S. State Department—Overseas Security Advisory Council on Friday, March 15, 1996, at the DoubleTree Guest Suites, Fort Lauderdale, Florida. Pursuant to Section 10(d) of the Federal Advisory Committee Act and 5 U.S.C. 552b(c) (1) and (4), it has been determined the meeting will be closed to the public. Matters relative to classified national security information as well as privileged commercial information will

be discussed. The agenda calls for the discussion of classified and corporate proprietary/security information as well as private sector physical and procedural security policies and protective programs at sensitive U.S. Government and private sector locations overseas.

For more information contact Marsha Thurman, Overseas Security Advisory Council, Department of State, Washington, DC 20522-1003, phone: 202-663-0869.

Dated: February 16, 1996.

William D. Clarke,

*Acting Director of the Diplomatic Security Service.*

[FR Doc. 96-4530 Filed 2-27-96; 8:45 am]

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[Public Notice 2347]

**Secretary of State's Advisory Committee on Private International Law; General Meeting on Developments in Private International Law**

There will be a general meeting of the Secretary of State's Advisory Committee on Private International Law (ACPIL) on Friday, March 15, 1996 from 9:30 a.m. to 4:30 p.m. at the Department of State in Washington, D.C.

The meeting agenda will include a review of developments in international organizations specializing in this field of work, including the International Institute for Unification of Private Law (UNIDROIT), the Hague Conference on Private International Law, the United Nations Commission on International Trade Law (UNCITRAL), Inter-American Specialized Conferences on Private International Law (CIDIP) sponsored by the Organization of American States (OAS), and other international organizations, as appropriate.

The principal topics for discussion will include a review of two multilateral treaties (conventions) adopted in 1995—the UNIDROIT convention on return of stolen and illegally exported cultural property, completed at Rome in June, 1995, and the United Nations convention on independent financial guarantees (including European law-based direct bank guarantees and American law-based standby letters of credit, as well as commercial letters of credit), approved by the UN General Assembly on December 11, 1995. Both Conventions have been opened for signature and ratification.

Other topics will cover developments in international family law, focussing on recent efforts to provide for more effective international enforcement of

<sup>7</sup> 15 U.S.C. 78q-1(b)(3)(F) (1988).

<sup>8</sup> 17 CFR 200.30-3(a)(12) (1995).