

distribution of a DPP or REIT security provide an estimated value for such securities on its customers' account statements where the member believes that the estimated value was inaccurate as of the date of the valuation or is no longer accurate as a result of a material change in the operations or assets of the program or trust.

Segregation of DPP/REIT Securities—Subparagraphs (b)(3)(B) and (b)(6)

NASD Regulation considered and ultimately rejected the views of several commenters who objected to the requirement that DPP and REIT securities be segregated from other securities into a separate location on the customer account statement. NASD Regulation believes that investments in non-publicly traded DPP and REIT securities and the estimated values which may be disclosed regarding their performance differ sufficiently from the prices of other securities that customers will benefit from having the securities grouped together for ease of presentation and review.

In addition, NASD Regulation believes that the segregation of DPPs and REITs into a separate location on the customer account statement should lessen the possibility of misleading customers regarding values since they will be distinguished from listed securities. NASD Regulation also determined that the requirement to segregate DPP/REIT securities should apply regardless of whether the security is listed with or without an estimated value. Therefore, proposed subparagraphs (b)(3)(B) and (b)(6) set forth the requirement to segregate DPP and REIT securities.

Use of Purchase Price—Subparagraph (b)(4)(C)

In response to the correspondence of the SEC, NASD Regulation amended the proposal published for comment to add a new provision in subparagraph (b)(4)(C) prohibiting members from using the original purchase price of a DPP or REIT security on a customer account statement as the estimated value. NASD Regulation provided additional language to clarify that the same dollar value of the purchase price may be used when a valuation methodology results in the estimated value and purchase price being equivalent.

Required Disclosure for Unpriced Securities—Subparagraph (b)(6)

In response to comments, NASD Regulation amended the proposal published for comment to require the following disclosure on the account

statement where a member provides no valuation for a DPP or REIT: that DPP and/or REIT securities generally are illiquid securities; the value of the security may be different than its purchase price; and, if applicable, that accurate valuation information is not available. This disclosure replaces the provision in the proposal published for comment that would have required a statement that the value of the DPP security is not available until the liquidation of the partnership and that no active secondary market exists.

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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reason for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (a) By order approve such proposed rule change, or
- (b) Institute proceedings to determine whether the proposed rule change should be disapproved.

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, DC 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, DC. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to file number SR-NASD-97-12 and should be submitted by April 24, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

¹² 17 CFR 200.30-3(a)(12).

Margaret H. McFarland,

Deputy Secretary.

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SMALL BUSINESS ADMINISTRATION

Small Business Investment Company; Computation of Alternative Maximum Annual Cost of Money to Small Businesses

13 CFR 107.855 limits the maximum annual Cost of Money (as defined in 13 CFR 107.50) that may be imposed upon a Small Business in connection with Financing by means of Loans or through the purchase of Debt Securities. The cited regulation incorporates the term "Debenture Rate", which is defined in 13 CFR 107.50 in terms that require SBA to publish, from time to time, the rate charged on ten-year debentures sold by Licensees to the public.

Accordingly, Licensees are hereby notified that effective the date of publication of this Notice, and until further notice, the Debenture Rate, plus the 1 percent annual fee which is added to this Rate to determine a base rate for computation of maximum cost of money, is 8.38 percent per annum.

13 CFR 107.855 does not supersede or preempt any applicable law imposing an interest ceiling lower than the ceiling imposed by its own terms. Attention is directed to Section 308(i) of the Small Business Investment Act of 1958, as amended, regarding that law's Federal override of State usury ceilings, and to its forfeiture and penalty provisions.

(Catalog of Federal Domestic Assistance Program No. 59.011, small business investment companies)

Dated: March 28, 1997.

Don A. Christensen,

Associate Administrator for Investment.

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DEPARTMENT OF STATE

[Public Notice 2526]

Bureau of Oceans and International Environmental and Scientific Affairs; International Harmonization of Chemical Safety and Health Information

AGENCY: Bureau of Oceans and International Environmental and Scientific Affairs (OES); Department of State.

ACTION: Notice regarding Government activities on international harmonization of chemical safety and