

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39462; File No. SR-Amex-97-47]

### Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the American Stock Exchange, Inc. Relating to a Fee Rebate

December 17, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on December 16, 1997, the American Stock Exchange, Inc. ("Amex" or "Exchange") 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 by the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The American Stock Exchange is issuing a one-time credit against the Exchange's monthly Floor Facility Fee for those members who were charged such fee during 1997 (the fee is at a rate of \$1,400.00 per annum for regular and option principal members and \$700.00 per annum for limited trading permit holders).

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

In its filing with the Commission, the self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

###### 1. Purpose

As the Exchange has had a rewarding year from a financial perspective, it has decided to issue a one-time credit against its monthly Floor Facility Fee

for those members who were charged such fee during 1997 (the fee is at a rate of \$1,400.00 per annum for regular and option principal members and \$700.00 per annum for limited trading permit holders).

###### 2. Statutory Basis

This Exchange represents that proposed rule change is consistent with section 6(b) of the Act,<sup>2</sup> in general, and furthers the objectives of Section 6(b)(4)<sup>3</sup> in particular, in that it provides for the equitable allocation of reasonable dues, fees, and other charges among the Exchange's members and other persons using its facilities.

##### B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any inappropriate burden on competition.

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

The Exchange has neither solicited nor received written comments on 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 60 days of the filing of the 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 purpose 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 American Stock Exchange. All submissions should refer to File No. SR-Amex-97-47 and should be submitted by January 20, 1998.

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

**Margaret H. McFarland,**  
Deputy Secretary.

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## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39448; File No. SR-MBSCC-97-6]

### Self-Regulatory Organizations; MBS Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change Relating to Trade Restrictions Between Accounts and Transfer of Trades

December 15, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on September 15, 1997, MBS Clearing Corporation ("MBSCC") filed with the Securities and Exchange Commission ("Commission") and on September 24, 1997, amended the proposed rule change (File No. SR-MBSCC-97-6) as described in Items I and II below, which items have been prepared primarily by MBSCC. The Commission is publishing this notice and order to solicit comments from interested persons and to grant accelerated approval on the proposed rule change.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change will amend MBSCC's rules to incorporate previously approved procedures regarding trade restrictions between accounts and transfer of trades.

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

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

<sup>2</sup> 15 U.S.C. 78f(b).

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

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

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

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

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

In its filing with the Commission, MBSCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. MBSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.<sup>2</sup>

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

MBSCC publishes a manual known as the Clearing Source Book ("Source Book"). The Source Book is designed to be a self-instructional tool for MBSCC participants that offers guidance about MBSCC services, procedures, forms, schedules, and regulations. It is referred to in the rules of MBSCC as the "Procedures."

In 1996, the Commission approved a proposed rule change to the Source Book relating to trade restrictions between accounts.<sup>3</sup> Upon subsequent review, MBSCC realized it inadvertently omitted this Source Book section from the rules of MBSCC. The proposed rule change will add a new Article II, Section 3 to MBSCC's rules to restrict participants with multiple accounts from submitting to the settlement balance order ("SBO") system trades between those accounts as well as between a participant's account and the account of a related participant. The SBO settlement netting process was not intended for such trades, and the implementation of these trading restrictions is designed to help prevent MBSCC's clearance and settlement process from being inappropriately influenced. However, MBSCC will waive the restrictions upon a showing by a participant that its trades will not be effected for an improper purpose. In all instance, participants may record these trades on a trade-for-trade basis.

To provide participants with operational and administrative flexibility, the Source book provides

that, subject to contraside approval, MBSCC participants may transfer trades from one account to another or may change the type of trades recorded within a specific account under specified circumstances.<sup>4</sup> The proposed rule change will add Article II, Section 4, to MBSCC's rules to mirror this provision. Where participants are parties to an acquisition, merger, or reorganization, this process assists participants when they must assume obligations or transfer trades. It also aids participants generally in facilitating transfers through a uniform and streamlined process as compared to a multistep cancellation and rebooking procedure.

MBSCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act<sup>5</sup> and the rules and regulations thereunder because it clarifies the rules of MBSCC relating to trade restrictions between accounts and transfer of trades and thereby should facilitate the prompt and accurate clearance and settlement of securities transactions.

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

MBSCC does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

No comments on the proposed rule change were solicited or received. MBSCC will notify the Commission of any written comments it receives.

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

Section 17A(b)(3)(F) of the Act requires that the rules of a clearing agency be designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions. The proposed rule facilitates a uniform and streamlined process by clarifying the rules of MBSCC relating to trade restrictions and transfer of trades and

thus should foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register** because the procedures incorporated in the proposed rule change were previously approved by the Commission, they have no substantive effect on participants, and they eliminate inconsistencies between MBSCC's rules and Source Book.

## 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 in 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 MBSCC. All submissions should refer to File No. SR-MBSCC-97-6 and should be submitted by January 20, 1998.

## V. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-MBSCC-97-6) be and hereby is approved on an accelerated basis.

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

**Margaret H. McFarland,**  
Deputy Secretary.

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<sup>2</sup> The Commission has modified the text of the summaries prepared by MBSCC.

<sup>3</sup> Securities and Exchange Act Release No. 37205 (May 13, 1996), 61 FR 24989 (File No. SR-MBSCC-95-8).

<sup>4</sup> Since its inclusion in the October 1992 edition of the Source Book, the transfer of trade process has been an unchanged component of MBSCC's procedures. Source book Chapter III, Account Structure.

<sup>5</sup> 15 U.S.C. 78q-1.

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