

that the rule requires the filing with Nasdaq of "other documents" and by clarifying that the rule applies to all reports and other documents filed with the Commission, even if they are not required to be filed.

Nasdaq believes that the proposed rule change is consistent with Section 15A(b)(6) of the Act. Section 15A(b)(6) requires, among other things, that the rules of a national securities association be designed to prevent fraudulent and manipulative acts and practices, and to remove impediments to and perfect the mechanism of a free and open market and a national market system. The use of electronic filing will permit Nasdaq to have access to information quickly and efficiently, thus assisting Nasdaq in the application of its rules designed to prevent fraudulent and manipulative acts and practices. The acceptance of electronic filings by Nasdaq also removes an impediment to those companies that file electronically with the SEC because those companies no longer will be required to separately file paper copies with Nasdaq.

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

Nasdaq does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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

Written comments were neither solicited nor received.

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

The proposed rule change has become effective immediately upon filing pursuant to Section 19(b)(3)(A)(i) and (iii) of the Act and paragraph (e) of Rule 19b-4 thereunder because the proposed rule change constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the NASD and is concerned solely with the administration of the NASD. The proposed rule change merely provides an alternative method for an issuer to satisfy an existing requirement in the NASD Rules to provide information to Nasdaq, thereby removing an unnecessary burden on companies that file electronically with the Commission through EDGAR, and will not affect the availability of information to Nasdaq or investors. At any time within 60 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 in the Commission's Public Reference Room. 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 No. SR-NASD-97-91 and should be submitted by February 26, 1998.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>4</sup>

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

**Exhibit A—Proposed New Language Is in Italics**

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*4310. Qualification Requirements for Domestic and Canadian Securities*

(a)–(b) No change.  
(c) In addition to the requirements contained in paragraph (a) or (b) above, and unless otherwise indicated, a security shall satisfy the following criteria for inclusion in Nasdaq:  
(1)–(13) No change.  
(14) The issuer shall file with the Association three (3) copies of all reports and other documents filed or required to be filed with the Commission. *This requirement is considered fulfilled for purposes of this paragraph if the issuer files the report or document with the Commission through the Electronic Data Gathering, Analysis, and Retrieval ("EDGAR") system.* An issuer that is not required to file reports with the Commission shall file with the

Association three (3) copies of reports required to be filed with the appropriate regulatory authority. All required reports shall be filed with the Association on or before the date they are required to be filed with the Commission or appropriate regulatory authority. Annual reports filed with the Association shall contain audited financial statements.

(15)–(27) No change.

(d) No change.

*Rule 4320. Qualification Requirements for Non-Canadian Foreign Securities and American Depositary Receipts*

(a)–(d) No change.

(e) In addition to the requirements contained in paragraphs (a), (b), or (c) and (d), the security shall satisfy the following criteria for inclusion in Nasdaq:

(1)–(11) No change.

(12) The issuer shall file with Nasdaq three (3) copies of all reports *and other documents filed or required to be filed with the Commission. This requirement is considered fulfilled for purposes of this paragraph if the issuer files the report or document with the Commission through the Electronic Data Gathering, Analysis, and Retrieval ("EDGAR") system.* All required reports must be filed with Nasdaq on or before the date they are required to be filed with the Commission.

(13)–(23) No change.

(f) No change.

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-39602; File No. SR-NSCC-97-10]

**Self-Regulatory Organizations; National Securities Clearing Corporation; Order Approving a Proposed Rule Change Establishing a New Category of Fund Member for Investment Advisers in Mutual Fund Services**

January 30, 1998.

On August 25, 1997, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-NSCC-97-10) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").<sup>1</sup> Notice of the proposal was published in the **Federal Register**

<sup>4</sup> 17 CFR 200.30-3(a)(12).

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

on December 15, 1997.<sup>2</sup> No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

### I. Description

NSCC's mutual fund services ("MFS") are designed to enable NSCC members to process and to settle on an automated basis mutual fund purchase and redemption orders and to transmit registration instructions. NSCC currently provides for two categories of fund member in MFS: (1) Principal underwriters which are registered broker-dealers under the Act and (2) investment companies which are registered under the Investment Company Act of 1940. Although the Commission previously approved amendments to NSCC's Addendum I(B)(2) of its Procedure to add standards of financial responsibility and operational capability for investment company fund members, the list of eligible fund members contained in Rule 51 was not amended to include investment companies.<sup>3</sup> Rule 51, Section 1 is now amended to include this category of fund member.

The proposed rule change also expands the category of eligible fund members to include registered investment advisers as defined in Section 202(a)(11) of the Investment Advisers Act of 1940. To be eligible for membership in MFS, a nonguaranteed service of NSCC, investment advisers will need (a) to be registered with the Commission under the Investment Advisers Act of 1940 and (b) to have a minimum of \$25 million in assets under management and \$100,000 in total net worth.

<sup>2</sup> Securities Exchange Act Release No. 39416 (December 9, 1997), 62 FR 65728.

<sup>3</sup> Securities Exchange Act Release No. 33525 (January 26, 1994), 59 FR 4959.

### II. Discussion

Section 17A(b)(3)(F) of the Act<sup>4</sup> requires that the rules of a clearing agency be designed to facilitate the prompt and accurate clearance and settlement of securities transactions. The Commission believes that the proposed rule change is consistent with NSCC's obligations under the Act because the proposed rule change allows families of self-distributed no-load funds to join MFS through an investment adviser rather than through each of their separate investment companies. As a result, these funds will now be able to take full advantage of the benefits of a single membership, such as net settlement, reduced costs, and operational efficiencies. Thus, the proposal should reduce the number of securities movements and settlement payments needed to settle trades and therefore is consistent with the Act's goal to promote the prompt and accurate clearance and settlement of securities transactions.

### III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-NSCC-97-10) be and hereby is approved.

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

<sup>4</sup> 15 U.S.C. 78q-1(b)(3)(F).

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

Margaret H. McFarland,

Deputy Secretary.

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## DEPARTMENT OF STATE

[Public Notice No. 2713]

### Office of Defense Trade Controls; Notifications to the Congress of Proposed Commercial Export Licenses, Correction to Public Notice No. 2652

AGENCY: Department of State.

ACTION: Notice.

**SUMMARY:** Notice is hereby given that the Department of State has forwarded the attached Notifications of Proposed Export Licenses to the Congress on the dates shown on the attachments pursuant to section 36(c) and in compliance with section 36(e) of the Arms Export Control Act (22 U.S.C. § 2776).

**EFFECTIVE DATE:** As shown on each of the six letters attached.

**FOR FURTHER INFORMATION CONTACT:** Mr. William J. Lowell, Director, Office of Defense Trade Controls, Bureau of Political-Military Affairs, Department of State ((703) 875-6644).

**SUPPLEMENTARY INFORMATION:** Section 38(e) of the Arms Export Control Act mandates that notifications to the Congress pursuant to section 36(c) must be published in the **Federal Register** when they are transmitted to Congress or as soon thereafter as practicable.

Dated: January 13, 1998.

**William J. Lowell,**

Director, Office of Defense Trade Controls.

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