

in implementing the full linkage. For these reasons, the Amex requests an extension of the pilot program until December 31, 2002.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with section 6(b) of the Act,¹¹ in general, and furthers the objectives of section 6(b)(5),¹² in particular, because it should prevent fraudulent and manipulative acts and practices, promote just and equitable principles of trade, remove impediments to and perfect the mechanisms of a free and open market and a national market system, and, in general, protect investors and the public interest.

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

The Amex does not believe that the proposed rule change will impose any burden on competition 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 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

Because the foregoing proposed rule change: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; (3) does not become operative for 30 days from the date of filing, or such shorter date as the Commission may designate, if consistent with the protection of investors and the public interest; and (4) the Exchange provided the Commission with notice of its intent to file the proposed rule change at least five days prior to the filing date, the proposed rule change has become effective pursuant to section 19(b)(3)(A) of the Act¹³ and Rule 19b-4(f)(6)¹⁴ thereunder.

A proposed rule change filed under Rule 19b-4(f)(6)¹⁵ does not become operative prior to 30 days after the date of filing or such shorter time as the Commission may designate if such action is consistent with the protection of investors and the public interest. The

Amex has requested, in order to permit the uninterrupted operation of the interim linkage, that the Commission accelerate the implementation of the proposed rule change so that it may take effect prior to the 30 days specified in Rule 19b-4(f)(6)(iii).¹⁶ The Commission finds that the proposed rule change is consistent with the protection of investors and the public interest and, therefore, has determined to make the proposed rule change operative as of the date of this notice.¹⁷

At any time within sixty (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 purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change, as amended, is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. 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 Amex. All submissions should refer to File Number SR-Amex-2002-03 and should be submitted by February 28, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁸

Margaret H. McFarland,

Deputy Secretary.

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¹⁶ 17 CFR 240.19b-4(f)(6)(iii).

¹⁷ For purposes of accelerating the implementation of the proposed rule change only, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹⁸ 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45357; File No. SR-GSCC-2001-14]

Self-Regulatory Organizations; Government Securities Clearing Corporation; Order Approving a Proposed Rule Change Relating to Liability of Affiliated Entities

January 29, 2002.

On October 11, 2001, the Government Securities Clearing Corporation ("GSCC") filed with the Securities and Exchange Commission ("Commission") pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ a proposed rule change (File No. GSCC-2001-14). Notice of the proposal was published in the **Federal Register** on December 20, 2001.² No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description

The rule change addresses liability issues that may arise after the completion of the integration of GSCC, MBS Clearing Corporation ("MBSCC"), and Emerging Markets Clearing Corporation ("EMCC") with The Depository Trust and Clearing Corporation ("DTCC").³ For purposes of this notice, DTCC, GSCC, MBSCC, EMCC, The Depository Trust Company ("DTC"), and National Securities Clearing Corporation ("NSCC")⁴ are collectively referred to as the "Synergy Companies."⁵

An important aspect of the integration plan is to insulate GSCC, its members, and its clearing fund from the risks and obligations that may arise from the

¹ 15 U.S.C. 78s(b)(1).

² Securities Exchange Act Release No. 45155 (Dec. 14, 2001), 66 FR 65768.

³ Securities Exchange Act Release Nos. 44989 (Oct. 25, 2001), 66 FR 55220 (Nov. 1, 2001) (order approving integration of GSCC), 44988 (Oct. 25, 2001), 66 FR 55222 (Nov. 1, 2001) (order approving integration of MBSCC), and 44987 (Oct. 25, 2001), 66 FR 55218 (Nov. 1, 2001) (order approving integration of EMCC).

⁴ DTC and NSCC are wholly-owned subsidiaries of DTCC.

⁵ After the completion of the integration, GSCC, MBSCC, and EMCC shall each be a wholly-owned subsidiary of DTCC, and a single group of individuals shall serve as directors of each of the Synergy Companies. Following the integration, GSCC will continue to exist as a separate registered clearing agency. The retained earnings of GSCC existing at the time of (or as of the end of the last full calendar month preceding) the integration of GSCC with DTCC will, as a matter of DTCC policy, be dedicated to supporting the business of GSCC. GSCC will be managed and operated so as to be appropriately capitalized for its activities as a clearing agency.

¹¹ 15 U.S.C. 78f(b).

¹² 15 U.S.C. 78f(b)(5).

¹³ 15 U.S.C. 78s(b)(3)(A).

¹⁴ 17 CFR 240.19b-4(f)(6).

¹⁵ 17 CFR 240.19b-4(f)(6).

activities of the other Synergy Companies.⁶ The rule change will add a section 2 to Rule 39 that provides that notwithstanding any affiliation between GSCC and any other entity, including any clearing agency, except as otherwise provided by written agreement between GSCC and such other entity, (1) GSCC shall not be liable for any obligations of such other entity and the clearing fund or other assets of GSCC shall not be available to such other entity and (2) such other entity shall not be liable for any obligations of GSCC and any assets of such other entity shall not be available to GSCC.

II. Discussion

Section 17A(b)(3)(F) of the Act⁷ requires that the rules of a clearing agency assure the safeguarding of securities and funds that are in the custody or control of the clearing agency or for which it is responsible. The Commission finds that the proposed rule change is consistent with GSCC's obligations under section 17A(b)(3)(F) because it should help ensure that GSCC's assets, including its participants fund, are not diminished as a result of its affiliation with the Synergy Companies.

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-GSCC-2001-14) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,

Deputy Secretary.

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⁶ The integration plan attempts to similarly insulate MBSCC and EMCC. Securities Exchange Act Release Nos. 45358 (Jan. 29, 2002) (order approving MBSCC's limitation of liability) and 45359 (Jan. 29, 2002) (order approving EMCC's limitation of liability). DTC and NSCC adopted rules similar to this proposed rule as part of their 1999 integration with DTCC. Securities Exchange Act Release Nos. 42013 (Oct. 15, 1999), 64 FR 57168 (Oct. 22, 1999) (order approving NSCC's limitation of liability) and 42014 (Oct. 15, 1999), 64 FR 57171 (Oct. 22, 1999) (order approving DTC's limitation of liability).

⁷ 15 U.S.C. 78q-1(b)(3)(F).

⁸ 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45385; File No. SR-NASD-2002-05]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change, Amendment No. 1, and Amendment No. 2 Thereto by the National Association of Securities Dealers, Inc. Relating to Revisions to Form U-4 and Form U-5

February 1, 2002.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on January 9, 2002, the National Association of Securities Dealers, Inc. ("NASD"), through its wholly owned subsidiary, NASD Regulation, Inc. ("NASD Regulation"), filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II and III below, which Items have been prepared by NASD Regulation. On January 23, 2002, NASD Regulation submitted Amendment No. 1 to the proposed rule change.³ On January 31, 2002, NASD Regulation submitted Amendment No. 2 to the proposed rule change.⁴ The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.⁵

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Patrice M. Gliniecki, Vice President and Acting General Counsel, NASD Regulation, to Katherine England, Assistant Director, Division of Market Regulation ("Division"), SEC, dated January 22, 2002 ("Amendment No. 1"). In Amendment No. 1, NASD Regulation: (1) removed all language from the original filing indicating that the filing was submitted pursuant to Section 19(b)(3)(A) of the Act, 15 U.S.C. 78s(b)(3)(A); and (2) amended the legends on the Forms to read "Rev. Form U-4 (3/2002)" and "Rev. Form U-5 (3/2002)," rather than "Rev. Form U-4 (7/2001)" and "Rev. Form U-5 (7/2001)."

⁴ See letter from Patrice M. Gliniecki, Vice President and Acting General Counsel, NASD Regulation, to Katherine England, Assistant Director, Division, SEC, dated January 31, 2002 ("Amendment No. 2"). In Amendment No. 2, NASD Regulation renumbered the amendment to comply with Form 19b-4.

⁵ NASD Regulation requested that the Commission make various technical corrections and delete a reference to "initial" registrations with regard to the Temporary Registration Acknowledgement (15C) described in the Signature and Acknowledgement Sections of the Purpose Section of this notice. Telephone discussion between Christopher B. Stone, Attorney Advisor, Division, SEC and Gary L. Goldsholle, Associate General Counsel, NASD Regulation, and Richard E. Pullano, Chief Counsel and Associate Director, CRD Public Disclosure, NASD Regulation (January 25, 2002).

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

NASD Regulation is proposing to revise the Uniform Application for Securities Industry Registration or Transfer ("Form U-4") and Uniform Termination Notice for Securities Industry Registration ("Form U-5") (collectively, the "Forms") to: (1) Make technical changes to accommodate the electronic submission of investment adviser filings in the Investment Adviser Registration Depository ("IARDSM") system; (2) establish procedures that will enable broker/dealer firms and investment adviser firms employing dually registered persons to concur with information contained in the Forms filed on such persons; (3) make the filing instructions clearer for all filers, but especially for those firms that are electronic filers; (4) provide separate paper filing instructions for certain investment adviser representative filers and other state-only filers that do not use the Central Registration Depository ("CRD[®]") or IARD systems; (5) clarify certain items that have been a source of confusion for users of the new Internet-based CRD system ("Web CRDSM"); (6) make certain formatting and technical changes to the Forms that would complete the transition from a paper-based filing model to an electronic-filing model; (7) update the Form U-4 to add examination and registration categories not previously included; and (8) amend NASD IM-8310-2, Release of Disciplinary Information, to refer to the newly numbered Section 14 of the Form U-4. The proposed technical and formatting amendments do not alter the reporting or disclosure requirements applicable to broker/dealers or their registered persons.

The text of the proposed rule change and the Exhibits related thereto are available at the principal offices of NASD Regulation and at the Commission.

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

In its filing with the Commission, NASD Regulation included statements concerning the purpose of and the 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. NASD Regulation has prepared summaries, set forth in Sections A, B