

Mortgage-Backed Securities Division

Currently, MBSD rules expressly permit participants to open additional accounts upon request for themselves or for any other entity. FICC has reviewed MBSD's current rules and is proposing to enhance them by making clear that (i) additional account holders do not have membership or property rights with respect to additional accounts and (ii) MBSD may apply collateral associated with one account of a participant to satisfy obligations among any or all of that participant's accounts. These provisions will serve to protect MBSD in the event an additional account holder makes a claim with respect to the property, proceeds, or collateral associated with the activity of the account.

FICC believes the proposed rule change is consistent with the requirements of section 17A of the Act and the rules and regulations thereunder because it addresses and limits the legal risk to FICC and its members that arises from the opening and maintenance of additional accounts.

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

FICC does not believe that the proposed rule change would have an impact on or impose a burden on competition.

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

Written comments relating to the proposed rule change have not yet been solicited nor received. FICC will notify the Commission of any written comments received by FICC.

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

Within thirty five 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 ninety days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

- (a) By order approve the 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,

including whether the proposed rule change 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. Comments may also be submitted electronically at the following e-mail address: rule-comments@sec.gov. All comment letters should refer to File No. SR-FICC-2003-05. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, comments should be sent in hardcopy or by e-mail but not by both methods. 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 NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of FICC and on FICC's Web site at <http://www.ficc.com/gov/gov.docs.jsp?NS-query> and at <http://www.ficc.com/mbs/mbs.docs.jsp/NS-query>. All submissions should refer to the File No. SR-FICC-2003-05 and should be submitted by March 5, 2004.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,

Deputy Secretary.

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⁶ 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-49205; File No. SR-IFX-2004-01]

Self-Regulatory Organization; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Inet Futures Exchange, LLC Relating to Its Name Change From the Island Futures Exchange, LLC to the Inet Futures Exchange, LLC

February 6, 2004.

Pursuant to section 19(b)(7) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-7 under the Act,² notice is hereby given that on January 14, 2004, the Inet Futures Exchange, LLC ("IFX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change described in items I, II, and III below, which items have been prepared by IFX. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons. On December 2, 2003, IFX filed the proposed rule change with the Commodity Futures Trading Commission ("CFTC"), together with a written certification under section 5c(c) of the Commodity Exchange Act³ ("CEA") in which IFX indicated that the effective date of the proposed rule change would be December 5, 2003.

I. Self-Regulatory Organization's Description of the Proposed Rule Change

The purpose of the proposed rule change is to change the name of the Exchange from the Island Futures Exchange, LLC to the Inet Futures Exchange, LLC. The text of the proposed rule change is available at the Office of the Secretary, Exchange, and at the Commission.

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

In its filing with the Commission, IFX 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. IFX has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.

¹ 15 U.S.C. 78s(b)(7).

² 17 CFR 240.19b-7.

³ 7 U.S.C. 7a-2(c).

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

1. Purpose

The purpose of the proposed rule change is to change the name of the Island Futures Exchange, LLC to the Inet Futures Exchange, LLC. Under the proposed rule change, IFX is amending references in Inet's Constitution and Rules that specifically refer to the name of the Exchange to reflect the defined term "Exchange," which IFX also proposes to modify to accommodate the name change. Moreover, IFX proposes a new definition for the term "Trading System" to ease the identification of the Trading System within Inet's Rules.

2. Statutory Basis

This filing and the enclosed Rules are submitted pursuant to section 19(b)(7) of the Act.⁴ The Rules are consistent with the purpose and requirements of the Commodity Futures Modernization Act of 2000⁵ and section 6 of the Act of 1934⁶ in that it reflects the name change of the Inet Futures Exchange, LLC from its previous name of Island Futures Exchange, LLC.

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

IFX does not believe that the proposed rule change would impose any burden on competition.

C. Self-Regulatory Organization's Statement on Comments on Proposed Rule Changes Received From Members, Participants, or Others

IFX neither solicited nor received written comment on the proposed rule change.

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

The proposed rule change became effective on December 5, 2003. Within 60 days of the date of effectiveness of the proposed rule change, the Commission, after consultation with the CFTC, may summarily abrogate the proposed rule change and require that the proposed rule change be refiled in accordance with the provisions of section 19(b)(1) of the Act.⁷

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing,

including whether the proposed rule change conflicts with the Act. Persons making written submissions should file nine copies of the submission with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Comments may also be submitted electronically at the following e-mail address: rule-comments@sec.gov. All comment letters should refer to File No. SR-IFX-2004-01. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, comments should be sent in hardcopy or by e-mail but not by both methods. 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 changes 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 these filings will also be available for inspection and copying at the principal office of the IFX. All submissions should refer to File No. SR-IFX-2004-01 and should be submitted by March 5, 2004.

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

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-49208; File No. SR-OCC-2003-08]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of a Proposed Rule Change Related to Delivery Settlement of Exercised Stock Options and Maturity Stock Futures

February 9, 2004.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on August 22, 2003, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule

change described in Items I and II below, which items have been prepared primarily by OCC. 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

OCC is seeking to restructure its rules applicable to delivery settlement of exercised stock options and matured stock futures.

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

In its filing with the Commission, OCC 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. NSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

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

The purpose of the proposed rule change is to:

(1) Restructure OCC's rules applicable to physical settlement of exercised stock options and matured stock futures to reflect that such settlements are normally effected through the National Securities Clearing Corporation ("NSCC") (*i.e.*, the correspondent clearing corporation) with broker-to-broker ("BTB") settlement procedures as a backup;

(2) Require that BTB settlements be made on a delivery-versus-payment ("DVP") basis at The Depository Trust Company ("DTC") unless OCC directs otherwise;

(3) Revise OCC's rules applicable to delivery settlement effected on a BTB basis in order to reflect the enhanced system capabilities to track such settlements offered by ENCORE Release 4.0, which is scheduled for installation on September 26, 2003;³

(4) Revise OCC's rules relating to buy-ins and sell-outs to parallel NSCC's

² The Commission has modified the text of the summaries prepared by OCC.

³ ENCORE Release 4.0, which includes updated systems for settlement of physical delivery stock options and stock futures, is the next major installation in OCC's multiyear project to rewrite its clearance and settlement system.

⁴ 15 U.S.C. 78s(b)(7).

⁵ Pub. L. 106-554, 114 Stat. 2763 (2000).

⁶ 15 U.S.C. 78f.

⁷ 15 U.S.C. 78s(b)(1).

⁸ 17 CFR 200.30-3(a)(75).

¹ 15 U.S.C. 78s(b)(1).