

[RI 25-15]

**Submission for OMB Review;  
Comment Request Review of a  
Revised Information Collection**AGENCY: Office of Personnel  
Management.

ACTION: Notice.

**SUMMARY:** In accordance with the Paperwork Reduction Act of 1995 (Public Law 104-13, May 22, 1995), this notice announces that the Office of Personnel Management has submitted to the Office of Management and Budget a request for clearance of a revised information collection. RI 25-15, Notice of Change In Student's Status, is used to collect sufficient information from adult children of deceased Federal employees or annuitants to assure that the child continues to be eligible for payments from OPM.

We estimate 2,500 certifications will be processed annually. Each form takes approximately 10 minutes to complete. The annual estimated burden is 417 hours.

For copies of this proposal, contact Jim Farron on (202) 418-3208, or E-mail to [jmfarron@mail.opm.gov](mailto:jmfarron@mail.opm.gov).

**DATES:** Comments on this proposal should be received by no later than June 27, 1996.

**ADDRESSES:** Send or deliver comments to—

Lorraine E. Dettman, Chief, Operations Support Division, Retirement and Insurance Service, U.S. Office of Personnel Management, 1900 E Street, NW, Room 3349, Washington, DC 20415

and

Joseph Lackey, OPM Desk Officer, Office of Information & Regulatory Affairs, Office of Management & Budget, New Executive Office Building, NW, Room 10235, Washington, DC 20503.

**FOR INFORMATION REGARDING**

**ADMINISTRATIVE COORDINATION—CONTACT:** Mary Beth Smith-Toomey, Management Services Division, (202) 606-0623.

U.S. Office of Personnel Management.

Lorraine A. Green,

*Deputy Director.*

[FR Doc. 96-13270 Filed 5-24-96; 8:45 am]

BILLING CODE 6325-01-M

**SECURITIES AND EXCHANGE  
COMMISSION****Sunshine Act Meetings**

Notice is hereby given, pursuant to the provisions of the Government in the

Sunshine Act, Pub. L. 94-409, that the Securities and Exchange Commission will hold the following meetings during the week of May 27, 1996.

An open meeting will be held on Thursday, May 30, 1996, at 10:00 a.m. A closed meeting will be held on Thursday, May 30, 1996, following the 10:00 a.m. open meeting.

Commissioners, Counsel of the Commissioners, the Secretary to the Commission, and recording secretaries will attend the closed meeting. Certain staff members who have an interest in the matters may also be present.

The General Counsel of the Commission, or his designee, has certified that, in his opinion, one or more of the exemptions set forth in 5 U.S.C. 552b(c)(4), (8), (9)(A) and (10) and 17 CFR 200.402(a)(4), (8), (9)(i) and (10), permit consideration of the scheduled matters at the closed meeting.

Commissioner Hunt, as duty officer, voted to consider the items listed for the closed meeting in a closed session.

The subject matter of the open meeting scheduled for Thursday, May 30, 1996, at 10:00 a.m., will be:

(1) Consideration of whether to issue a release proposing rule changes that would implement recommendations made in the March 5, 1996 Report of the Task Force on Disclosure Simplification. The proposed rules would eliminate two forms and one rule, and amend several other forms and regulations to eliminate unnecessary disclosure requirements and to streamline the registration process. FOR FURTHER INFORMATION CONTACT: Felicia H. Kung, Division of Corporation Finance, at (202) 942-2990.

(2) Consideration of whether to issue a release adopting rule changes that eliminate a number of rules and forms, as recommended by the Task Force on Disclosure Simplification in its March 5, 1996 report, and that effect other minor and technical amendments to the Commission's rules. FOR FURTHER INFORMATION CONTACT: James R. Budge, Division of Corporation Finance at (202) 942-2910.

(3) Consideration of whether to issue (1) a release adopting amendments to rules under Section 16 of the Exchange Act, and (2) a release extending the phase-in period for Rule 16b-3. FOR FURTHER INFORMATION CONTACT: Anne M. Krauskopf, Division of Corporation Finance, at (202) 942-2900.

The subject matter of the closed meeting scheduled for Thursday, May 30, 1996, following the 10:00 a.m. open meeting, will be: Institution and settlement of administrative proceedings of an enforcement nature

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted

or postponed, please contact: The Office of the Secretary at (202) 942-7070.

Dated: May 22, 1996.

Jonathan G. Katz,

*Secretary.*

[FR Doc. 96-13455 Filed 5-23-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37230; File No. SR-GSCC-96-04]

**Self-Regulatory Organizations;  
Government Securities Clearing  
Corporation; Notice of Proposed Rule  
Change Relating to Interdealer Broker  
Netting Members Participating in the  
Netting and Settlement Services for  
Repurchase and Reverse Repurchase  
Transactions Involving Government  
Securities**

May 20, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on May 10, 1996, the Government Securities Clearing Corporation ("GSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change and on May 13, 1996, amended the filing,<sup>2</sup> which is described in Items I, II, and III below, which items have been prepared primarily by GSCC. 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**

GSCC proposes to modify its rules to allow interdealer broker ("IDB") netting members to become eligible for GSCC's netting service for repurchase and reverse repurchase transactions involving government securities as the underlying instrument ("repos").<sup>3</sup>

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

In its filing with the Commission, GSCC 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

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1988).

<sup>2</sup> Letter from Jeffrey F. Ingber, General Counsel, GSCC, to Christine Sibille, Division of Market Regulation, Commission (May 13, 1996).

<sup>3</sup> The text of the proposed revised rules is attached as Exhibit A to File No. SR-GSCC-96-04 which is available for review in the Commission's Public Reference Room.

in Item IV below. GSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.<sup>4</sup>

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

GSCC's long-range plans for repo services entail the full and complete automation of all aspects of start and close leg processing, including the intraday settlement of repo start legs. These services have been and will continue to be introduced in phases.

In a previous rule filing, GSCC sought and received authority to implement the first phase of repo netting services, which was the provision of netting and risk management services for the non-same-day settling aspects of next-day and forward-settling repo transactions.<sup>5</sup> During the first phase, GSCC did not make IDB netting members eligible for GSCC's repo netting services because brokering in the repo market currently is done on a give-up basis (*i.e.*, the brokers give up the names of each counterparty to the other and drop out of the transaction). GSCC anticipated addressing the various issues related to IDB members' participation in GSCC's repo netting system in its next repo rule filing relating to a netting and settlement service for same-day-settling start legs. However, because the settlement of same-day-settling start legs involves significant technological issues, GSCC realizes it will not be able to implement such a service until the last quarter of this year at the earliest. Therefore, GSCC is making this rule filing in order to allow its IDB netting members to participate in its current repo netting services.

Pursuant to this rule change, IDB netting members and non-IDB netting members (*i.e.*, dealers) will submit data on brokered repos to GSCC in the same manner as they do for cash transaction. GSCC will compare, net, and settle repo start legs which are submitted prior to the start date (*i.e.*, non-same-day-settling start legs) and repo close legs pursuant to GSCC's existing procedures for the netting and settlement of repos. GSCC Rule 18, Special Provisions for Repo Transactions, will also apply to brokered repos.<sup>6</sup> The parties to brokered

repos will assume the responsibility for the intraday settlement of same-day-settling start legs outside of GSCC.

Under this proposal, only IDBs that have and agree to maintain a level of excess net capital or excess liquid capital, as applicable, of at least \$10 million will be eligible to submit data on repo transactions to GSCC.<sup>7</sup> To further minimize risk, GSCC will only accept from IDBs that participate in this repo netting process data on repo transactions that have been executed between two dealers that have been designated as eligible to participate in GSCC's repo netting services.<sup>8</sup> As a result, the IDBs' position will always net out.

GSCC will impose operational requirements on IDB repo netting members to minimize errors or problems, to help ensure a low level of uncomparated trades, and to achieve the highest possible netting factor for IDBs. These operation requirements are: (1) Upon being informed by either GSCC or another netting member of an error in or problem with the data on an eligible repo transaction that it has submitted to GSCC, an IDB netting member must act promptly and in good faith to correct the error; (2) each IDB repo netting member will be assigned a second GSCC

novation of a repo transaction, and sets forth a netting member's obligation to submit repo transactions to GSCC, another registered clearing agency, or a clearing agency that has been exempted from registration as a clearing agency.

<sup>7</sup> File No. SR-GSCC-96-02, currently pending with the Commission, will require all IDBs, regardless of whether they participate in the repo netting service, to have and to maintain a minimum level of excess liquid/net capital of at least \$10 million. GSCC stated in that filing that it is the intention of the Board of Directors of GSCC no longer to consider applications for Category 1 IDB netting membership unless the IDB applicant meets the new financial criteria. It is the Board's further intention that if File No. SR-GSCC-96-02 has not yet been approved prior to the approval of this filing, GSCC nonetheless will not permit a Category 1 IDB with less than \$10 million in excess liquid/net capital to participate in the repo netting service. For a complete description of the modifications to the minimum financial criteria for Category 1 IDB netting members, refer to Securities Exchange Act Release No. 36945 (March 7, 1996), 61 FR 10614 (notice of proposed rule change modifying the minimum financial criteria for Category 1 interdealer broker netting membership).

<sup>8</sup> GSCC proposes to amend the definitions for Category 1 and Category 2 IDBs to account for repo transactions with non-GSCC members. Specifically, Category 1 IDBs will not be limited to acting exclusively as brokers on behalf of GSCC netting members and/or grandfathered nonmembers with respect to repo transactions. Similarly, Category 2 IDBs will not be limited to acting exclusively as brokers or conducting at least ninety percent of their business with GSCC netting members and/or grandfathered nonmembers with respect to repo transactions. Similarly, IDB netting members will not need to report data on repos pursuant to Section 3 of Rule 15 and the continuance standards of Rule 3, Section 5 (g) and (i) will not take into account repo transactions.

participant number, and all repos must be processed using that number;<sup>9</sup> and (3) each IDB repo netting member will be required to establish a separate account with a separate Fedwire address at a clearing bank that will be used exclusively for the intraday settlement outside of GSCC of same-day-settling start legs. (*I.e.*, the dealer member on the repo side of the start leg will deliver securities to this separate Fedwire account, and the IDB will redeliver the securities to the counterparty from this account.) GSCC intends to require each IDB repo netting member to authorize its clearing bank to allow GSCC to review this clearing account. This review will be performed solely in order to facilitate the correction of errors and problems. GSCC will not have or assume any responsibility for the settlement of a same-day settling start leg.

As set forth below, the benefits of allowing IDBs to participate in the existing repo netting process are numerous.

#### 1. Immediate Implementation

GSCC and its netting members, including IDBs, already have the systems in place to submit data to and receive output from GSCC for repo transactions. Thus, IDBs will only need to make minor changes to their regular cash input and output specifications to accommodate repos and then to test with GSCC.

#### 2. Enhanced Risk Protection

In the same manner as it does now for netting-eligible repo legs, GSCC will become the legal counterparty to all eligible netted close legs and start legs submitted prior to the settlement date through novation and will guarantee their settlement.

#### 3. More Efficient Settlement

By encompassing more transactions into the net, the total number of daily settlements for participants will be reduced. This will make the settlement process more efficient, will lower clearance costs, and will reduce participants' exposure to daylight overdraft costs.

#### 4. Anonymity

Through repo blind brokering, IDBs will no longer give up the name of the dealer counterparties. In this way, the dealer counterparties will only know the IDB and will not see through to the other side of the repo. This is the manner in which secondary market

<sup>9</sup> The second account will make it easier for GSCC to monitor an IDB's repo activity.

<sup>4</sup> The Commission has modified the text of the summaries prepared by GSCC.

<sup>5</sup> Securities Exchange Act Release No. 36491 (November 17, 1995), 60 FR 61577 (order approving proposed rule change relating to the netting and risk management services for the non-same-day-settling aspects of next-day and forward-settling repo transactions).

<sup>6</sup> Rule 18 limits eligibility to participate in the repo netting process, establishes the timing for

activity currently is conducted for cash activity and is the means of trading preferred by GSCC's members because of its efficiencies.

#### 5. East of Transition to Fully Automated Services

GSCC and its participants will gain experience in processing blind-broker repos during this first implementation stage. This experience will aid GSCC in developing and fine-tuning the fully automated blind brokering service that will provide for the settlement of same-day-settling repo start legs directly through GSCC. In the future, when fully automated services are available, IDBs will make the processing switch to submitting locked-in trade data, and GSCC anticipates a smooth transition to the new service.

GSCC believes the proposed rule change is consistent with the requirements of Section 17A of the Act and the rules and regulations thereunder. In particular, the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act<sup>10</sup> because it is designed to assure the safeguarding of securities and funds that are in the custody or control of GSCC or for which it is responsible, and it will reduce the risk exposure to its solvent participants from the default of common participants. Further, the proposed rule change will foster cooperation and coordination with entities engaged in the clearance and settlement of securities transactions.

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

GSCC does not believe that the proposed rule will have an impact 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

Comments on the proposed rule change have not yet been solicited or received. Members will be notified of the rule filing, and comments will be solicited by an important notice. GSCC will notify the Commission of any written comments received by GSCC.

#### 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 (1) 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 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 submission should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., 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 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 GSCC. All submissions should refer to File No. SR-GSCC-96-04 and should be submitted by June 18, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

Margaret H. McFarland,  
Deputy Secretary.

[FR Doc. 96-13251 Filed 5-24-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37227; File No. SR-PTC-96-01]

#### Self-Regulatory Organizations; Participants Trust Company; Notice of Filing of a Proposed Rule Change Eliminating the Deduction of Reserve on Gain in the Calculation of Net Free Equity for Proprietary and Agency Accounts of a Receiving Participant in Certain Transactions

May 20, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> notice is hereby given that on February 5, 1996, the Participants Trust Company ("PTC") filed with the

Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-PTC-96-01) as described in Items I, II, and III below, which items have been prepared primarily by PTC. 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 purpose of the proposed rule change is to amend Article I, Rule 1 of PTC's Rules to eliminate the deduction of reserve on gain ("ROG") in the calculation of net free equity ("NFE") for proprietary and agency accounts of a receiving participant in certain transactions while retaining the deduction of ROG as it applies to the calculation of NFE for proprietary and agency accounts of a delivering participant.

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

In its filing with the Commission, PTC 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. PTC 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

The purpose of the proposed rule change is to amend Article I, Rule 1 of PTC's Rules to eliminate the deduction of ROG in the calculation of NFE for proprietary and agency accounts of a receiving participant in certain transactions. PTC intends to retain the deduction of ROG as it applies to the calculation of NFE for proprietary and agency accounts of a delivering participant.

Under PTC's current rules, in connection with any account transfer versus payment, ROG is: (1) With respect to a delivering participant, the amount by which the contract value credited to the cash balance of the account of the delivering participant exceeds the market value of the securities delivered or (ii) with respect

<sup>11</sup> 17 CFR 200.30-3(a)(12) (1995).

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1988).

<sup>2</sup> The Commission has modified the text of the summaries submitted by PTC.

<sup>1</sup> 15 U.S.C. 78q-1(b)(3)(F) (1988).