

The Commission believes that the amendment to Rule 8210, requiring members and associated persons to provide information to the NASD for the purpose of investigations made by another domestic or foreign SRO, association, securities or contract market or regulator of the markets, for market surveillance, investigative, enforcement or other regulatory purposes is appropriate. As previously in effect, Rule 8210 may have limited the NASD by not clearly providing the NASD's Committees and Board with the authority to require members to provide such information. Moreover, Rule 8210 did not provide the MSC with any authority to require members and associated persons to provide information. By adding the MSC to the list of entities, which may require members and associated persons to provide information and expanding the circumstances under which these entities may require information, the amendment furthers the interest of the public and provides for the protection of investors by allowing the Association to assist other regulators to conduct prompt inquiries into possible trading violations and other possible misconduct.

The Commission also believes that the amendment to Rule 8210 provides the Association with a basis on which to initiate a disciplinary proceeding when those under its jurisdiction fail to cooperate with requests for information, and, therefore, furthers the interest of the public and provides for the protection of investors by allowing the Association to appropriately discipline those members that engaged in misconduct.

The Commission also believes that the amendment to Rule 8220, expanding the NASD's authority to require a member or persons associated with a member to comply with any requests to report, orally or in writing, submit books, records, or accounts, for the purpose of any investigation initiated by the NASD or another entity will further the interest

SRO and to furnish information in connection with a regulatory inquiry, investigation, examination, or disciplinary proceeding resulting from an agreement entered into by the PSE pursuant to Rule 14.1. Securities Exchange Act Release No. 35646 (Apr. 25, 1995), 60 FR 21227 (May 1, 1995) (order approving File No. SR-PSE-95-02). The NYSE recently amended Rules 27, 476(a)(11), and 477 to require persons under Exchange jurisdiction to comply with information requests from domestic commodities markets and associations and foreign self-regulatory organizations and associations as well as from domestic securities markets. Securities Exchange Act Release No. 37476 (July 24, 1996) (order approving File No. SR-NYSE-95-43). Currently, Art. V, Sec. 4(a) of the AMEX Rules facilitates examinations being conducted by another exchange.

of the public and provides for the protection of investors by allowing certain organizations and associations to acquire information necessary to ensure that NASD members are conducting business in conformance with applicable laws and regulations.

Finally, the Commission believes that the proposed rule change achieves a reasonable balance between the need for regulatory cooperation and protection of the procedural rights of NASD members and others from who information or testimony is requested. The rule provides the Association with the authority to seek cooperation by certain persons with respect to inquiries and investigations resulting from regulatory agreements between the Association and other SROs and associations while providing any person or entity required to furnish information or testimony pursuant to the rule with the same procedural rights that they would have as if the request were pursuant to an NASD initiated inquiry or investigation.

#### VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,<sup>13</sup> that the proposed rule change (SR-NASD-96-14) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>14</sup>

Margaret H. McFarland,

*Deputy Secretary.*

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#### **Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the New York Stock Exchange, Inc., Relating to the Exchange's Weekly Bulletin**

August 13, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on August 8, 1996, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") 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 the self-regulatory organization. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

<sup>13</sup> 15 U.S.C. § 78s(b)(2).

<sup>14</sup> 17 CFR 200.30-3(a)(12).

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

The NYSE proposes to amend Paragraphs 702.02, "Timetable for Original Listing of Securities Other than Debt Securities," and 703.01, "General Information," of the NYSE's Listed Company Manual ("Manual") to eliminate the requirement that the Exchange publish a notice of receipt of a listing application in the Exchange's Weekly Bulletin prior to authorizing the listing application.

The text of the proposed rule change is available at the Office of the Secretary, NYSE, 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, 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*

###### **(a) Purpose**

The purpose of this proposed rule change is to eliminate the requirement that the Exchange publish a notice of receipt of a listing application in the Exchange's Weekly Bulletin—and seek comment on that application—prior to authorizing the application. The Exchange will continue to acknowledge receipt of a company's application in either the regular Weekly Bulletin or through some other comparable method of publication. The Exchange also will continue its practice of providing notice of a security's trade date in advance of an original listing. Where practical, the Exchange seeks to provide two days' notice of such trade date.

According to the NYSE, publication of a notice of a listing application, and the solicitation of comments on that application, is no longer necessary. The Exchange began publishing notices of listing applications in its Weekly Bulletin in 1923, prior to the adoption of the Securities Act of 1933 and the Act. At that time, there was little, if any,

public disclosure regarding the issuance of securities. Thus, the publication in the NYSE's Weekly Bulletin provided useful public information. Now, however, the Exchange and investors have access to disclosure documents containing relevant information. Moreover, the Exchange rarely, if ever, receives any comments on a listing application.

The NYSE believes that eliminating the pre-approval publication requirement will provide listed companies with greater flexibility in the timing of their transactions. For example, the NYSE believes that the elimination of the pre-approval publication requirement will facilitate the listing of securities that are sold pursuant to a "shelf registration" under Commission Rule 415, "Delayed or continuous offering and sale of securities." In addition, eliminating this requirement will reduce Exchange costs and streamline the handling of listing applications at the Exchange.

#### (b) Basis

The NYSE believes that the proposal is consistent with Section 6(b) of the Act, in general, and, in particular, with Section 6(b)(5), in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

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

The NYSE does not believe that the proposed rule change will impose any inappropriate 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

The NYSE has not solicited, and does not intend to solicit, comments on this proposed rule change. The NYSE has not received any unsolicited written comments from members or other interested parties.

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

Because the foregoing 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) was provided to the Commission for its

review at least five business days prior to the filing date; and (4) does not become operative for 30 days after August 8, 1996, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(e)(6) thereunder. In particular, the Commission believes that the proposal does not significantly affect the protection of investors or the public interest and does not impose any significant burden on competition. 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 at the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to the file number in the caption above and should be submitted by September 10, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>1</sup>

Margaret H. McFarland,

*Deputy Secretary.*

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[Release No. 34-37558; File No. SR-PHILADEP-96-13]

#### Self-Regulatory Organizations, Philadelphia Depository Trust Company; Notice of Filing of Proposed Rule Change Relating to Modifications of Procedures To Implement Rule 17Ad-16

August 12, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on July 2, 1996, Philadelphia Depository Trust Company ("Philadep") 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 primarily by Philadep. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

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

Philadep proposes to comply with the Commission's Rule 17Ad-16<sup>2</sup> by (i) making the material information available from the transfer agent notices available to Philadep participants over Philanet for Philadep-eligible securities and (ii) transmitting broadcast messages over Philanet to Philadep-only participants for securities not eligible for deposit at Philadep.

#### II. Self-Regulatory Organization's Statements Regarding the Proposed Rule Change

In its filing with the Commission, Philadep 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. Philadep has prepared summaries, as set forth in sections A, B, and C, below, of the most significant aspects of these statements.<sup>3</sup>

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

On December 1, 1994, the Commission adopted Rule 17Ad-16 which requires a registered transfer agent to provide written notice to the "appropriate qualified registered

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

<sup>2</sup> 17 CFR 240.17Ad-16.

<sup>3</sup> The Commission has modified parts of these statements.

<sup>1</sup> 17 CFR 200.30-3(a)(12) (1995).