

39 that states that GSCC will not be liable for the obligations of any other entity or member of any other entity and that such other entity or member of such other entity shall not be liable for any obligations of GSCC.

GSCC believes that the proposed rule change is consistent with the requirements of section 17A of the Act⁸ and the rules and regulations thereunder applicable to GSCC because it promotes the safeguarding of securities and funds in GSCC's custody or control or for which it is responsible.

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

GSCC does not believe that the proposed rule change will have any impact or impose any burden on competition.

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

No written comments relating to the proposed rule change have been solicited or received.

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

Within the 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 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, 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. 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, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at GSCC's principal office. All submissions should refer to File No. SR-GSCC-2001-14 and should be submitted by January 4, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Jonathan G. Katz,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45153; File No. SR-MBSCC-2001-04]

Self-Regulatory Organizations; MBS Clearing Corporation; Notice of Filing of Proposed Rule Change Relating to Liability of Affiliated Entities

December 14, 2001.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934,¹ notice is hereby given that on October 11, 2001, the MBS Securities Clearing Corporation ("MBSCC") 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 by MBSCC. 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

MBSCC proposes to amend its rules in order to limit its liability with respect to affiliated entities. Specifically, MBSCC proposes to add a section to its rules that states that, except as otherwise provided by written agreement between MBSCC and such other entities, (1) MBSCC shall not be liable for any obligations of such other entity and its clearing fund and other assets shall not be available to such other entity and (2) such other entity shall not be liable for any obligations of MBSCC and any

assets of such other entity shall not be available to MBSCC.

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

In its filing with the Commission, MBSCC 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 the statements may be examined at the places specified in Item IV below. MBSCC 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 proposed rule change addresses liability issues that may arise after the completion of the integration of MBSCC, the Government Securities Clearing Corporation ("GSCC"),³ and the Emerging Markets Clearing Corporation ("EMCC")⁴ with The Depository Trust and Clearing Corporation ("DTCC"). For purposes of this notice, DTCC, GSCC, MBSCC, EMCC, The Depository Trust Company ("DTC"), and National Securities Clearing Corporation ("NSCC")⁵ are collectively referred to as the "Synergy Companies."⁶

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

³ Because of the current functional integration of operations of GSCC and MBSCC, the integration of GSCC with DTCC is contingent upon the successful integration of MBSCC with DTCC and vice versa. Securities Exchange Act Release Nos. 44989 (Oct. 25, 2001), 66 FR 55220 (Nov. 1, 2001); and 44988 (Oct. 25, 2001), 66 FR 55222 (Nov. 1, 2001).

⁴ Pursuant to a separate plan for the integration of EMCC with DTCC, it is contemplated that EMCC will become an operating subsidiary of DTCC at the same time that GSCC and MBSCC become operating subsidiaries of DTCC. However, the transaction involving GSCC and MBSCC is not contingent on the transaction involving EMCC and vice versa.

⁵ DTC and NSCC are wholly-owned subsidiaries of DTCC.

⁶ 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, MBSCC will continue to exist as a separate registered clearing agency. The retained earnings of MBSCC existing at the time of (or as of the end of the last full calendar month preceding) the integration of MBSCC with DTCC will, as a matter of DTCC policy, be dedicated to supporting the business of MBSCC. MBSCC will be managed and operated so as to be appropriately capitalized for its activities as a clearing agency.

⁸ 15 U.S.C. 78q-1.

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

An important aspect of the integration plan is to insulate MBSCC, its participants, its limited purpose participants, its Electronic Profile Network users, and its participants fund from the risks and obligations that may arise from the activities of the other Synergy Companies.⁷ The proposed rule change will specifically add a new Rule 15 to Section V of MBSCC's rules that states that MBSCC will not be liable for the obligations of any other entity or member of any other entity and that such other entity or member of such other entity shall not be liable for any obligations of MBSCC.

MBSCC believes that the proposed rule change is consistent with the requirements of section 17A of the Act⁸ and the rules and regulations thereunder applicable to MBSCC because it promotes the safeguarding of securities and funds in MBSCC's custody or control or for which it is responsible.

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

MBSCC does not believe that the proposed rule change will have any impact or impose any burden on competition.

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

No written comments relating to the proposed rule change have been solicited or received.

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 such proposed rule change or

⁷ Similarly, the integration plan attempts to insulate GSSC and EMCC from the risks of MBSCC's business. Securities Exchange Act Release Nos. 45155 (Dec. 14, 2001) (SR-GSCC-2001-14); 45154 (Dec. 14, 2001) (SR-EMCC-2001-04). See also Securities Exchange Act Release Nos. 42013 (Oct. 15, 1999), 64 FR 57168 (Oct. 22, 1999) (SR-DTC-99-11) and 42014 (Oct. 15, 1999), 64 FR 57171 (Oct. 22, 1999) (SR-NSCC-99-07) (DTC and NSCC have adopted rules similar to this proposed rule as part of their 1999 integration with DTCC.)

⁸ 15 U.S.C. 78q-1.

(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. 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, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at MBSCC's principal office. All submissions should refer to File No. SR-MBSCC-2001-04 and should be submitted by January 4, 2002.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁹

Jonathan G. Katz,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-45152; File No. SR-OCC-2001-16]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of a Proposed Rule Change Relating to Clearing Certain Commodity Futures and Options Thereon

December 12, 2001.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on October 24, 2001, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

III below, which items have been prepared primarily by OCC. 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 proposed rule change amends OCC's by-laws and rules to provide for the clearance and settlement of transactions in commodity futures on broad-based stock indexes and options on such futures, both of which are subject to the exclusive jurisdiction of the Commodity Futures Trading Commission ("CFTC").

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. OCC 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

1. Introduction

The proposed rules would provide for the clearance and settlement of futures on broad-based stock indexes and options on such futures under the same basic rules and procedures currently applicable to the clearance and settlement of other OCC-cleared contracts, including options and security futures. Because such contracts are within the exclusive jurisdiction of the CFTC, OCC submitted to the CFTC on October 9, 2001, an application for registration as a derivatives clearing organization ("DCO") under section 5b(c) of the Commodity Exchange Act ("CEA") and part 39 of the CFTC's regulations. The CFTC granted OCC's application for registration on December 10, 2001.

Commodity futures would be cleared pursuant to the same basic OCC rules and procedures recently approved by the Commission for the clearance of

² The Commission has modified parts of these statements.