

[Release No 34-37679; File No. SR-NSCC-96-17]

**Self-Regulatory Organizations;
National Securities Clearing
Corporation; Notice of Filing and
Immediate Effectiveness of a Proposed
Rule Change Relating to Substitution
of Officer Titles**

September 13, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on August 29, 1996, the National Securities Clearing Corporation ("NSCC") 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 NSCC. 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 would revise NSCC's by-laws and rules to replace the titles of "First Vice President," "Senior Vice President," and "Executive Vice President" with the new titles of "Senior Managing Director" and "Managing Director."²

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

In its filing with the Commission, NSCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it receive 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.³

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

In order to conform with how NSCC and many firms in the industry operate, NSCC has created new titles, "Managing Director" and "Senior Managing Director," in lieu of the titles "First Vice President," "Senior Vice President,"

and "Executive Vice President." The purpose of this rule change is to modify NSCC's rules and by-laws to accommodate this change. Article III, Section 3.1 of NSCC's by-laws is being amended to establish the positions of Managing Director and Senior Managing Director as officers of NSCC.⁴ Article III, Section 3.4, which sets forth the powers and duties of Executive Vice Presidents, is being amended to replace Executive Vice President with Senior Managing Directors/Managing Directors. Section 3.5, which describes the powers and duties of Vice Presidents, is being revised to establish the Senior Managing Director and Managing Director's precedence over Vice Presidents.⁵ Article I, Sections 1.2 and 1.8 of the by-laws are being revised to permit Managing Directors to call special meetings and to serve as presiding officers of meetings.

NSCC's rules and procedures are being amended to authorize officers of certain levels to act in those instances where First Vice Presidents, Senior Vice Presidents, or Executive Vice Presidents were formerly authorized to take certain actions. Specially, Rule 22, Suspension of Rules, is being amended to allow the General Counsel, instead of the Executive Vice President to extend, waive, or suspend time requirements fixed by NSCC's rules. Rules 23, Action by the Corporation, and 33, Procedures, are being revised to replace Executive Vice President with Senior Managing Director and Managing Director. Senior Managing Directors and Managing Directors are now permitted to act for NSCC and to prescribe procedures and regulations upon delegation of authority by the Board.

The proposed rule change is consistent with the requirements of Section 17A of the Act⁶ in that it makes technical modifications to NSCC's by-laws and rules so that they coincide with NSCC's new internal management structure.

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

NSCC does not believe that the proposed rule change will 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**

No written comments have been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) of the Act⁷ and Rule 19b-4(e)(3)⁸ thereunder in that the proposed rule change is concerned solely with the administration of NSCC. At any time within sixty days after the filing of such 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 in the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the NSCC. All submissions should refer to File No. SR-NSCC-96-17 and should be submitted by October 15, 1996.

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

Jonathan G. Katz,

Secretary.

[FR Doc. 96-24252 Filed 9-20-96; 8:45 am]

BILLING CODE 8010-01-M

¹ 15 U.S.C. 78s(b)(1) (1988).

² Although the titles of "First Vice President" and "Senior Vice President" do not appear in NSCC's rules and by-laws, such titles have been used in practice.

³ The Commission has modified such summaries.

⁴ Section 3.1 still permits NSCC to designate a Vice President as Executive Vice President or Senior Vice President.

⁵ The position of Vice President will remain.

⁶ 15 U.S.C. 78q-1 (1988).

⁷ 15 U.S.C. 78s(b)(3)(A)(iii) (1988).

⁸ 17 CFR 240.19b-4(e)(3) (1996).