

year) that require an aggregate total of 3,668 hours to comply with the rule. Each of these approximately 163 registered broker-dealers makes an estimated 45 annual responses, for an aggregate total of 7,335 responses per year. Each response takes approximately 0.5 hours to complete. Thus, the total compliance burden per year is 3,668 burden hours. The approximate cost per hour is \$22, resulting in a total cost of compliance for the respondents of \$80,696 (3,668 hours @ \$22 per hour).

The retention period for the recordkeeping requirement under Rule 8c-1 is three years. The recordkeeping requirement under this Rule is mandatory to ensure that broker-dealers do not commingle their securities or use them to finance the broker-dealers' proprietary business. This rule does not involve the collection of confidential information. Persons should be aware that an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a current valid control number.

General comments regarding the estimated burden hours should be directed to the following persons: (1) Desk Officer for the Securities and Exchange Commission by sending an e-mail to David_Rostker@omb.eop.gov; and (2) R. Corey Booth, Director/Chief Information Officer, Office of Information Technology, Securities and Exchange Commission, 450 5th Street, NW, Washington, DC 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: September 13, 2004.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. E4-2263 Filed 9-20-04; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

Submission for OMB Review; Comment Request

Upon Written Request, Copies Available From: Securities and Exchange Commission, Office of Filings and Information Services, Washington, DC 20549.

Extension: Rule 17a-3(a)(16), SEC File No. 270-452, OMB Control No. 3235-0508.

Notice is hereby given that pursuant to the Paperwork Reduction Act of 1995 (44 U.S.C. sec. 3501 *et seq.*), the Securities and Exchange Commission ("Commission") has submitted to the Office of Management and Budget ("OMB") a request for extension of the

previously approved collection of information discussed below.

Rule 17a-3(a)(16) (17 CFR 240.17a-3(a)(16)) under the Securities Exchange Act of 1934 identifies the records required to be made by broker-dealers that operate internal broker-dealer systems. Those records are to be used in monitoring compliance with the Commission's financial responsibility program and antifraud and antimanipulative rules, as well as other rules and regulations of the Commission and the self-regulatory organizations. It is estimated that approximately 105 active broker-dealer respondents registered with the Commission incur an average burden of 2,835 hours per year (105 respondents multiplied by 27 burden hours per respondent equals 2,835 total burden hours) to comply with this rule.

Rule 17a-3 does not contain record retention requirements. Compliance with the rule is mandatory. The required records are available only to the examination staff of the Commission and the self-regulatory organization of which the broker-dealer is a member. An agency may not conduct or sponsor and a person is not required to respond to a collection of information unless it displays a currently valid control number.

General comments regarding the estimated burden hours should be directed to the following persons: (1) The Desk Officer for the Commission, by sending an e-mail to: David_Rostker@omb.eop.gov; and (2) R. Corey Booth, Director/Chief Information Officer, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Comments must be submitted to the Office of Management and Budget within 30 days of this notice.

Dated: September 15, 2004.

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. E4-2264 Filed 9-20-04; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

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 meeting during the week of September 20, 2004:

A Closed Meeting will be held on Tuesday, September 21, 2004 at 2 p.m.

Commissioners, Counsel to 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)(3), (5), (7), (9)(B), and (10) and 17 CFR 200.402(a)(3), (5), (7), 9(ii) and (10), permit consideration of the scheduled matters at the Closed Meeting.

Commissioner Goldschmid, as duty officer, voted to consider the items listed for the closed meeting in closed session and determined that earlier notice thereof was possible.

The subject matter of the Closed Meeting scheduled for Tuesday, September 21, 2004 will be:

Formal orders of investigations; Institution and settlement of injunctive actions; and

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: September 15, 2004.

Jonathan G. Katz,
Secretary.

[FR Doc. 04-21135 Filed 9-15-04; 4:06 pm]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-50386; File No. SR-FICC-2003-05]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Order Granting Approval of a Proposed Rule Change Relating to Additional Account Structures

September 15, 2004.

I. Introduction

On July 9, 2003, Fixed Income Clearing Corporation ("FICC") filed with the Securities and Exchange Commission ("Commission") proposed rule change SR-FICC-2003-05 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").¹ Notice of the proposal was published in the

¹ 15 U.S.C. 78s(b)(1).

Federal Register on February 13, 2004.² No comment letters were received. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

II. Description

The proposed rule change amends the rules of both the Government Securities Division (“GSD”) and the Mortgage-Backed Securities Division (“MBS”) of FICC with respect to their additional account structures. GSD and MBS both permit members to open and maintain accounts in addition to their primary accounts. These additional accounts developed as an administrative convenience for members that wanted to keep certain activities segregated from their primary accounts. The proposed rule change addresses certain legal risks associated with these accounts.

Government Securities Division

For each additional account opened for a member, GSD assigns a unique participant ID number and separately calculates daily clearing fund requirements, funds-only settlement requirements, and net settlement positions based solely upon the activity in the additional account.³ Currently, the opening and maintenance of additional accounts requested by a GSD member is governed by an agreement between the member and GSD.⁴ Pursuant to the additional account agreement, the member agrees to be responsible for all of the obligations and liabilities associated with the additional account; however, GSD’s rules do not address the opening and maintenance of these additional accounts.⁵

The proposed rule change reflects the principles set forth in the additional account agreement and those that FICC management has defined to govern these accounts. Specifically, additional accounts that are opened for someone

other than a member itself or for the member’s wholly-owned subsidiary shall require the approval of FICC’s Membership and Risk Management Committee. The proposed rule change makes clear that GSD members will be responsible for all of the obligations arising under GSD’s rules that are associated with additional accounts. The additional account entity will not have any proprietary interest with respect to the additional account and will not have any rights or privileges of GSD members. GSD will have the right to deny the opening of an additional account if it believes that the additional account entity presents risk to FICC, such as legal risk from an insolvency regime that is adverse to GSD’s rights.

Mortgage-Backed Securities Division

Currently, MBS rules expressly permit participants to open additional accounts upon request for themselves or for any other entity. FICC has reviewed MBS’s current rules and is enhancing them by making clear that (i) additional account holders do not have membership or property rights with respect to additional accounts and (ii) MBS 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 MBS 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.

III. Discussion

Section 17A(b)(3)(F) of the Act requires, among other things, that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in its custody or control or for which it is responsible.⁶ The proposed rule change, by clarifying the rights and obligations of FICC and of its members with respect to additional accounts established by FICC’s members for their own use or for the use of non-members, is designed to protect FICC and its members from any unnecessary financial risks. Accordingly, the proposed rule change should help to assure the safeguarding of securities and funds which are in FICC’s custody or control or for which it is responsible.

IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in

particular with the requirements of Section 17A of the Act and the rules and regulations thereunder applicable.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-FICC-2003-05) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. E4-2278 Filed 9-20-04; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-50372; File No. SR-NASD-2004-074]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto by the National Association of Securities Dealers, Inc. To Clarify and Modify Market Maker Quote Re-Entry Obligations

September 14, 2004.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 28, 2004, the National Association of Securities Dealers, Inc. (“NASD”), through its subsidiary, The Nasdaq Stock Market, Inc. (“Nasdaq”), 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 Nasdaq. On August 31, 2004, Nasdaq filed Amendment No. 1 to the proposed rule change.³ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

Nasdaq proposes certain changes to Rule 4620 to clarify and modify market makers’ quote re-entry obligations when

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Edward S. Knight, Executive Vice President and General Counsel, Nasdaq, to Katherine A. England, Assistant Director, Division of Market Regulation (“Division”), Commission, dated August 30, 2004 (“Amendment No. 1”). In Amendment No. 1, Nasdaq replaced the rule text in the original proposal with a new version to reflect changes to NASD rules effected by SR-NASD-2004-076. See Securities Exchange Act Release No. 50074 (July 23, 2004), 69 FR 45866 (July 30, 2004).

² Securities Exchange Act Release No. 49212 (February 9, 2004), 69 FR 7273.

³ The maintenance of such accounts has billing implications as set forth in GSD’s fee structure.

⁴ The additional account structure permitted by GSD should be contrasted with GSD’s executing firm feature, which permits a member to submit trades of a non-GSD member with which the member has a correspondent relationship. Executing firm trades are commingled with the member’s own trades in the member’s GSD account and are not separated from the member’s other activity (including other executing firm activity) for any purpose. Therefore, the member’s clearing fund requirement, funds-only settlement requirement, and net settlement position reflects all executing firm activity in its GSD account.

⁵ The only exceptions to this are with respect to repo brokers that are expressly required to open second accounts for their brokered repo activity and GSD’s fee structure which includes charges associated with the maintenance of additional accounts.

⁶ 15 U.S.C. 78q-1(b)(3)(F).