

promote competition among depository users.

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

DTC has not sought or received comments on the proposed rule change.

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 DTC 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 submissions 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 Room, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of DTC. All submissions should refer to the file number SR-DTC-94-16 and should be submitted by January 30, 1995.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,
Deputy Secretary.

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[Release No. 34-35181; File No. SR-MSRB-94-18]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to Fees for Subscription to the Transaction Reporting Pilot Program

December 30, 1994.

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 December 16, 1994, the Municipal Securities Rulemaking Board, Inc. ("MSRB" or "Board") 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 the self-regulatory organization. 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 MSRB is filing herewith a proposed rule change to establish a fee for an annual subscription to a Service (the "Service") which will provide daily reports of transaction data from the Board's Transaction Reporting Pilot Program ("the Pilot Program"). The Board will charge a fee for the Service equal to a yearly rate of \$15,000. The proposed fee is structured to defray the Board's cost of disseminating the transaction data and to defray, in part, the cost of collecting and compiling inter-dealer transaction data that will be used in the Pilot Program both for the Service and for a comprehensive surveillance database. The Board does not expect or intend to make a profit from the Service, and will review the fee annually to determine whether adjustments are necessary.

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

1. Purpose

Background and Description of the Pilot Program. On November 9, 1994, the Commission approved the Board's plan for the Pilot Program for collecting inter-dealer transaction data and the production and sale of daily transaction reports containing certain summarized data about the inter-dealer transactions.¹ Operation of the Pilot Program is planned to commence with reporting of inter-dealer trades on or after January 2, 1995.² As part of the Pilot Program, the Board also will make information on all inter-dealer trades in municipal securities available to the Commission and other regulatory agencies in a "surveillance database" to assist in inspection and enforcement of Board rules. This data on specific transactions, which will include the identity of dealers, will not be publicly available and will not be included in the Service.

The Pilot Program will collect inter-dealer transaction data by using data submitted to the automated comparison system for inter-dealer municipal securities transactions. The transaction reports will provide aggregate data about market volume on the previous business day and will provide summary price and volume data about those issues that were traded at or above a threshold number of times on that day. For each of these issues, the report will provide high, low and average prices of the transactions in the issue, along with the total par value traded and the number of trades in the issue. The average prices (but not the high and low prices) will be calculated based upon those trades in a "band" of \$100,000 to \$1 million par value. The prices and par values of individual transactions will not be included in the transaction reports, but will be available to the enforcement agencies in the surveillance database.

As part of the Service, the Board will provide the transaction reports to the

¹ See Securities Exchange Act Release No. 34955 (November 9, 1994), 59 FR 59810.

² The Pilot Program is the first phase of a system in which the Board ultimately intends to make available transaction information which is both comprehensive and contemporaneous. In other phases, information for institutional and retail customer transactions will be added to the system. In a recent letter to the Commission, the Board outlined the four-phase plan, of which the present fee filing applies to phase one. See letter from Robert Drysdale, Chairman, MSRB, to Arthur Levitt, Chairman, SEC, dated November 3, 1994. The Board will submit to the Commission a proposed rule change prior to the implementation of each planned phase.

⁸ 17 CFR 200.30-3(a)(12) (1994).