

For the Commission, by the Division of Market Regulation, pursuant to delegated authority, 17 CFR 200.30-3(a)(12).

Jonathan G. Katz,

Secretary.

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Self-Regulatory Organizations; National Association of Securities Dealers, Inc.; Notice of Filing of a Proposed Rule Change Relating to Extending the Continuing Education Requirement for Registered Persons to Government Securities Principals and Representatives

June 7, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on May 11, 1995, the National Association of Securities Dealers, Inc. ("NASD") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the NASD. 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 NASD is proposing to amend Schedule C of the NASD By-Laws to include government securities principals and representatives in the continuing education requirement for registered persons. Below is the text of the proposed rule change. Proposed new language is italicized, deleted language is in brackets:

Part XII

Continuing Education Requirements

This Part prescribes requirements regarding the continuing education of certain registered persons subsequent to their initial qualification and registration with the NASD. The requirements shall consist of a Regulatory Element and a Firm Element as set forth below.

(1) Regulatory Element

* * * * *

(e) Definition of registered person—For purposes of this Part, the term "registered person" means any person registered with the NASD as a representative, principal or assistant

representative pursuant to Parts II, III [or], IV or XI respectively of Schedule C to the By-Laws.

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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 NASD 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 NASD 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

The purpose of the proposed rule change is to make a technical amendment to the rule language in Section (1)(e) of Part XII of Schedule C of the NASD By-Laws, Continuing Education Requirements. The proposed change will require Government Securities Principals and Representatives to participate in the continuing education program. Such persons who are designated in Part XI of Schedule C of the By-Laws were inadvertently excluded from the definition of registered person in Section (1)(e) of Part XII of Schedule C when the NASD filed SR-NASD-94-72 with the Commission on December 7, 1994.²

The NASD believes the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act in that the proposed changes to Schedule C of the By-Laws will improve the standards of training, experience, and competence for persons associated with NASD members. Pursuant to this statutory obligation, the NASD has proposed this rule change to operate its two-part continuing education program for industry professionals.

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

The NASD does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

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

Written comments were neither solicited nor received.

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

The NASD has requested that the Commission find good cause pursuant to Section 19(b)(2) for approving the proposed rule change prior to the thirtieth day after publication in the **Federal Register**. In support of its request, the NASD states that it desires to ensure that all NASD registered persons will be required to participate in the continuing education program which will commence on July 1, 1995.

Within 35 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 90 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. 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 submissions, 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. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to the file number in the caption above and should be submitted by June 26, 1995.

²The Commission approved SR-NASD-94-72 on February 8, 1995. Securities Exchange Act Release No. 35341 (February 8, 1995), 60 FR 8426.

¹ 15 U.S.C. 78s(b)(1).