

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.

The Exchange has requested that the Commission waive the five-day pre-filing notice requirement and accelerate the operative date of the proposal to March 31, 2003 so that the ROS pilot program may continue without interruption after it would have otherwise expired on March 31, 2003. For this reason, the Commission, consistent with the protection of investors and the public interest, has determined to waive the five-day pre-filing notice requirement and accelerate the operative date of the proposal to March 31, 2003.¹¹

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. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-CBOE-2003-12 and should be submitted by April 22, 2003.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,
Deputy Secretary.

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¹¹ For purposes of accelerating the operative date of this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹² 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47569; File No. SR-FICC-2002-13]

Self-Regulatory Organizations; Fixed Income Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to FICC's Schedule of Money Tolerances

March 26, 2003.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on December 20, 2002, the Fixed Income Clearing Corporation ("FICC") 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 FICC. 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 the schedule of money tolerances set forth in the rules of the Government Securities Division of FICC.

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

In its filing with the Commission, FICC 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. FICC 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 rules of the Government Securities Division of FICC contain a schedule of money tolerances ("Schedule") that permits FICC, among other things, to compare a buy-sell trade with a discrepancy in its settlement amount of \$1 per million in real time.³

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified parts of these statements.

³ Money tolerances are calculated based on the par amount of the securities. GSCC, FICC's predecessor, recently amended the real-time money tolerance applicable to the statement amount of

FICC is proposing to amend this tolerance to \$2 per million in order to increase the intraday comparison rate of valid trades.

FICC has found that the current \$1 tolerance on the settlement amount of buy-sell transactions results in increased risk. Specifically, FICC has found after conducting an analysis that many valid trades remain uncompared during the day and thus do not receive the benefit of FICC's guaranty. These trades eventually compare at end of day, when the applicable tolerance is higher, but they are left without the FICC guaranty during the day. FICC's analysis has shown that increasing the real-time money tolerance to \$2 per million would cause more than 1,000 additional trades to compare earlier in the day. FICC is thus proposing to amend the Schedule to provide for a \$2 real-time tolerance per million for buy-sell transactions.

FICC believes the proposed rule change is consistent with the Act and the rules and regulations thereunder because it will permit valid trades to compare earlier in the day and thus will eliminate risk and will promote the prompt and accurate clearance and settlement of securities.

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

FICC does not believe that the proposed rule change would have an impact on 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

Written comments relating to the proposed rule change have not yet been solicited nor received. FICC will notify the Commission of any written comments received by FICC.

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 Act⁴ and Rule 19b-4(f)(4)⁵ thereunder because it

repo transactions from \$1 to \$0.10. Securities Exchange Act Release No. 46658 (October 11, 2002) 67 FR 64943 [SR-GSCC-2002-08]. In making that rule filing, GSCC inadvertently eliminated the text that was applicable to the real-time tolerance for the settlement money of buy-sell transactions, which is the subject of this present rule filing. This present rule filing therefore reinstates the necessary language to cover the real time tolerance applicable to buy-sell transactions and distinguishes it from the language applicable to repo transactions.

⁴ 15 U.S.C. 78s(b)(3)(A)(iii).

⁵ 17 CFR 240.19b-4(f)(4).

effects a change in an existing service of OCC that (i) does not adversely affect the safeguarding of securities or funds in the custody or control of OCC or for which it is responsible and (ii) does not significantly affect the respective rights or obligations of OCC or persons using the service. At any time within sixty days of the filing of the proposed 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, 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. Comments may also be submitted electronically at the following e-mail address: rule-comments@sec.gov. All comment letters should refer to File No. SR-FICC-2002-13. This file number should be included on the subject line if e-mail is used. To help us process and review comments more efficiently, comments should be sent in hardcopy or by e-mail but not by both methods. 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 NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of FICC. All submissions should refer to the File No. SR-FICC-2002-13 and should be submitted by April 22, 2003.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47565; File No. SR-MSRB-2003-01]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing of Proposed Rule Change Relating to the Establishment of an Optional Procedure for Electronic Submission of Forms G-37/G-38 and G-37x Under Rule G-37, on Political Contributions and Prohibitions on Municipal Securities Business, and Rule G-38, on Consultants

March 25, 2003.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (the "Exchange Act") and rule 19b-4 thereunder,¹ notice is hereby given that on March 21, 2003, the Municipal Securities Rulemaking Board (the "MSRB" or "Board") filed with the Securities and Exchange Commission (the "Commission") a proposed rule change (File No. SR-MSRB-2003-01) (the "proposed rule change") described in items I, II, and III below, which Items have been prepared by the MSRB. 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 has filed with the Commission a proposed rule change amending Rule G-37, on political contributions and prohibitions on municipal securities business, and Rule G-38, on consultants, to establish an optional procedure for electronic submission of Forms G-37/G-38 and G-37x. The proposed rule change will become effective on the later of June 30, 2003 or 30 days after Commission approval, and the MSRB expects that the new electronic submission system will become operational concurrently therewith. The text of the proposed rule change is set forth below. Additions are italicized; deletions are bracketed.

Rule G-37—Political Contributions and Prohibitions on Municipal Securities Business

(a)–(d) No change.
(e)(i) Except as otherwise provided in paragraph (e)(ii), each broker, dealer or municipal securities dealer shall, by the last day of the month following the end of each calendar quarter (these dates correspond to January 31, April 30, July

31 and October 31) send to the Board [by certified or registered mail, or some other equally prompt means that provides a record of sending, two copies of] Form G-37/G-38 setting forth, in the prescribed format, the following information:

(A)–(E) No change.

The Board shall make public a copy of each Form G-37/G-38 received from any broker, dealer or municipal securities dealer.

(ii)(A) No broker, dealer or municipal securities dealer shall be required to send Form G-37/G-38 to the Board for any calendar quarter in which either:

(1) No change.

(2) Subject to clause (B) of this paragraph (e)(ii), such broker, dealer or municipal securities dealer has not engaged in municipal securities business, but only if such broker, dealer or municipal securities dealer:

(a) No change.

(b) Has sent to the Board[, by certified or registered mail or some other equally prompt means that provides a record of sending, two copies of a] completed Form G-37x setting forth, in the prescribed format, (i) a certification to the effect that such broker, dealer or municipal securities dealer did not engage in municipal securities business during the eight consecutive calendar quarters immediately preceding the date of such certification, (ii) certain acknowledgments as are set forth in said Form G-37x regarding the obligations of such broker, dealer or municipal securities dealer in connection with Forms G-37/G-38 and G-37x under this paragraph (e)(ii) and rule G-8(a)(xvi), and (iii) such other identifying information required by Form G-37x; provided that, if a broker, dealer or municipal securities dealer has engaged in municipal securities business subsequent to the submission of Form G-37x to the Board, such broker, dealer or municipal securities dealer shall be required to submit a new Form G-37x to the Board in order to again qualify for an exemption under this subclause (A)(2). The Board shall make public a copy of each Form G-37x received from any broker, dealer or municipal securities dealer.

(B) No change.

(iii) No change.

(iv) A broker, dealer or municipal securities dealer that submits Form G-37/G-38 or Form G-37x to the Board shall either:

(A) Send two copies of such form to the Board by certified or registered mail, or some other equally prompt means that provides a record of sending; or
(B) submit an electronic version of such form to the Board in such format

¹ 15 U.S.C. 78s(b)(1) and 17 CFR 240.19b-4 thereunder.

⁶ 17 CFR 200.30-3(a)(12).