

NEWS

SECURITIES AND EXCHANGE COMMISSION

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The Commission announced today it is considering approving, subject to four proposed conditions, the application of National Securities Clearing Corporation ("NSCC") for registration as a clearing agency. The Commission invited public comment by November 19, 1976 on the proposed conditions and extended to November 29, 1976, the time for concluding proceedings in connection with the application.

On March 29, 1976, NSCC filed with the Commission an application for registration as a clearing agency which contemplated, among other things, the performance by NSCC of the clearing and settlement operations currently performed by the American Stock Exchange Clearing Corporation ("ASECC"), the National Clearing Corporation ("NCC") and Stock Clearing Corporation ("SCC"). On May 28, 1976, the Commission instituted proceedings to determine whether to grant or deny the application; as part of the proceedings, the Commission held oral hearings on June 16-18, 1976.

The Commission currently is considering approving the NSCC application, subject to the four proposed conditions to be satisfied by NSCC before it may begin operating, as a single integrated system, the clearing and settlement systems currently operated by ASECC, NCC and SCC.

Briefly, these conditions would provide for (1) the establishment of full interfaces and appropriate links by NSCC with other registered clearing agencies without interface charges, (2) efficient facilities through which broker-dealers which do not maintain offices in New York City may, either directly or through an agent, compare transactions compared by NSCC, (3) the utilization of the existing NCC branch facilities as joint facilities by NSCC and other registered clearing agencies, (4) the orderly comparison of over-the-counter transactions now compared by NCC.

In the view of the Commission, establishment of a national system for the clearance and settlement of transactions in securities contemplated by the Securities Acts Amendments of 1975 requires that broker-dealers located in New York City and elsewhere throughout the country have access, at a reasonable cost, to entities which are able to offer one account comparison, clearing and settlement. The Commission believes that approval of NSCC's application subject to the foregoing conditions would be a significant step toward the achievement of this objective at an early date and would enhance existing and potential competition among broker-dealers and registered clearing agencies.