



SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

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FOR IMMEDIATE RELEASE

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January 13, 1977

The Commission announced today that it has granted the registration of National Securities Clearing Corporation ("NSCC") as a clearing agency, effective immediately, subject to the terms, conditions and directives contained in the Order, including a condition that the Order may not be implemented by NSCC prior to January 20, 1977.

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 American Stock Exchange Clearing Corporation ("ASECC"), 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 provided an opportunity for oral presentation of data, views and arguments on June 16-18, 1976.

On November 3, 1976, the Commission announced it was considering approving the NSCC application subject to four proposed conditions and requested public comment on the proposed conditions. On the basis of the Commission's review, analysis and evaluation of the data, views and arguments on the NSCC application and Commission releases issued in connection with the application, the Commission has granted registration to NSCC subject to four conditions, the terms and directives contained in the Order.

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 may compare, either directly or through an agent, transactions eligible for comparison by NSCC, and NSCC participants may effect comparison, clearance and settlement of New York Stock Exchange, Inc., American Stock Exchange, Inc., and over-the-counter transactions through the NSCC branch network, (3) the utilization of the existing NCC and future NSCC branch facilities by participants in other registered clearing agencies as a link to the other clearing agencies and (4) the orderly comparison of over-the-counter transactions now compared by NCC.

NSCC will be required to comply with these conditions to the satisfaction of the Commission before NSCC may begin operating, as single integrated system, the clearing and settlement systems currently operated by ASECC, NCC and SCC. In the interim, NSCC must submit for Commission approval any proposed changes in the rules, operating procedures and facilities management arrangements of NSCC or any of its operating divisions which are in effect immediately following the issuance of the Order.

In the Commission's view, establishment of the national system for the prompt and accurate clearance and settlement of transactions in securities contemplated by Section 17A of the Act requires that brokers and dealers located in New York City and elsewhere throughout the country have access, at a reasonable cost, to one or more entities through each of which brokers and dealers can efficiently and safely compare, clear and settle transactions in securities regardless of the market in which the transactions occur or the location of the other parties to the transactions. The Commission believes that approval of NSCC's application subject to the conditions, terms and directives contained in the Order 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.