

December 4, 2002.<sup>2</sup> No comment letters were received. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

## II. Description

In response to industry demand, DTC has recently developed a new service for participants that would make prospectuses and official statements relating to new issues of corporate and municipal securities ("Offering Documents") available in electronic format. The new service, the Prospectus Repository System ("PRS") will enable participants and DTC-authorized third parties (collectively referred to as "users") to view Offering Documents from a DTC-maintained Web site.<sup>3</sup>

As a new service related to DTC's underwriting services, PRS will function as a multipurpose library where users can view, download, and print preliminary and final Offering Documents for DTC-eligible securities for which the underwriters have provided DTC with Offering Documents. PRS will include Offering Documents for both corporate and municipal securities. Access to the Offering Documents posted on the website will be controlled by password protection. By posting Offering Documents in PRS, DTC intends to make access to Offering Documents easier and more efficient. PRS features will include on-line search capabilities; retrieval by ticker symbol CUSIP, or issuer; and downloadable or printable files.

All users accessing Offering Documents in PRS will be required to affirm that they have read DTC's disclaimer prior to retrieving any Offering Documents.<sup>4</sup> The disclaimer states that Offering Documents posted on the PRS website are for informational purposes only and do not constitute bids, offers, or solicitations for securities. The disclaimer also states that by virtue of offering the PRS service, DTC is not participating in any offering as an underwriter, dealer, investment advisor, or otherwise and is not providing any form of investment advice or recommendation as to any security, issuer, or offering. In addition, the disclaimer also states that DTC

disclaims responsibility for the following:

- Satisfying Offering Document delivery requirements under federal securities laws or under Municipal Securities Rulemaking Board rules;
- Informing users of PRS of restrictions or limitations on securities or participation in an offering;
- The form or content of any Offering Document posted on the PRS website;
- The accuracy or DTC's verification of information submitted to DTC;
- The responsibility to update any Offering Document posted on the website,
- Posting a final Offering Document if it posts a preliminary Offering Document;
- Posting any supplements to a final Offering Document;
- Keeping an Offering Document posted for any amount of time.

## III. Discussion

Section 17A(b)(3)(F) requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions.<sup>5</sup> The rule change permits DTC to offer PRS which should enable users to more efficiently obtain and use information about new offerings of securities which are eligible for deposit at DTC. In so doing, PRS should assist participants, as well other PRS users involved in the processing of securities transactions, to process new offerings of securities with more efficiency, less cost, and less errors. Accordingly, the Commission finds that the rule change is consistent with DTC's obligations under Section 17A of the Act.

## IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in particular with the requirements of Section 17A(b)(3)(F) of the Act and the rules and regulations thereunder.

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-DTC-2002-13) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>6</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 03-5160 Filed 3-4-03; 8:45 am]

BILLING CODE 8010-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47395; File No. SR-MSRB-2002-15]

### Self-Regulatory Organizations; Order Granting Approval of a Proposed Rule Change by the Municipal Securities Rulemaking Board Relating to Rule G-28, on Transactions with Employees and Partners of Other Municipal Securities Professionals

February 24, 2003.

On December 20, 2002, the Municipal Securities Rulemaking Board ("MSRB") filed with the Securities & Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (the "Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change (File No. SR-MSRB-2002-15). The proposed rule change was published for notice and comment in the **Federal Register** on January 22, 2003.<sup>3</sup> The Commission did not receive comment letters on the proposed rule change.

### I. Description of the Proposed Rule Change

The MSRB's rule change creates an exemption from Rule G-28 for transactions and accounts involving municipal fund securities. Rule G-28, on transactions with employees and partners of other municipal securities professionals, requires a broker, dealer or municipal securities dealer ("dealer") that opens a municipal securities account for an employee of another dealer (or a spouse or child of such employee) to first provide written notice to such other dealer and to subsequently follow any instructions provided by the other dealer with respect to transactions for the employee. The transacting dealer is also required to provide copies of all confirmations to the other dealer. The rule was adopted to prevent an employee of a dealer from effecting transactions that are contrary to the interests of the dealer or from otherwise acting illegally or improperly with

<sup>2</sup> Securities Exchange Act Release No. 46915, (November 26, 2002), 67 FR 72253 (December 4, 2002).

<sup>3</sup> PRS authorized third-party users will include syndicate members, correspondent banks, paying agents, transfer agents, and certain legal counsel and financial advisors associated with the underwriting. Individual investors will not have access to Offering Documents through the website.

<sup>4</sup> A copy of DTC's PPS disclaimer is attached to DTC's filing and is available at the Commission's Public Reference office or through DTC.

<sup>5</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>6</sup> 17 CFR 200.30-3(a)(12).

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See Securities Exchange Act Release No. 47189 (Jan. 15, 2003), 68 FR 03073.