

SECURITIES AND EXCHANGE COMMISSION
(Release No. 34-52397; File No. SR-NSCC-2005-12)

September 8, 2005

Self-Regulatory Organizations; National Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change to Modify Automated Customer Account Transfer Service Rules and Procedures

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”),¹ notice is hereby given that on August 23, 2005, the National Securities Clearing Corporation (“NSCC”) filed with the Securities and Exchange Commission (“Commission”) the rule change described in Items I, II, and III below, which items have been prepared primarily by NSCC. The Commission is publishing this notice to solicit comments on the rule change from interested parties.

I. Self-Regulatory Organization’s Statement of the Terms of Substance of the Proposed Rule Change

The rule change modifies NSCC’s Automated Customer Account Transfer Service (“ACATS”) Rules and Procedures by eliminating the provision that allows delivering members to initiate the transfer of a custody redelivery position purchased by the delivering member for the benefit of a customer’s account to a receiving member.

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

In its filing with the Commission, NSCC included statements concerning the purpose of and basis for the rule change and discussed any comments it received on the rule change. The text of these statements may be examined at the places specified in Item IV below. NSCC has

¹ 15 U.S.C. 78s(b)(1).

prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.²

(A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

NSCC's ACATS enables members to transfer accounts of their customers between themselves on an automated basis. Currently, NSCC's Rule 50 provides that delivering members may, among other things, initiate the transfer of a custody redelivery position purchased by a delivering member for the benefit of a customer's account to a receiving member. While other features of delivering member initiated partial account transfers are utilized by members, this custody redelivery function is substantially unused. Accordingly, NSCC is deleting this function and removing reference to it from Rule 50.

NSCC believes the rule change is consistent with the requirements of Section 17A of the Act³ and the rules and regulations thereunder applicable to NSCC because it eliminates a substantially unused feature of ACATS and as such, NSCC believes it is a change to an existing service that will not adversely affect the safeguarding of securities and funds in NSCC's custody or control and will not significantly affect the respective rights or obligations of NSCC or its participants.

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

NSCC does not believe that the rule change will have an impact or impose any burden on competition.

² The Commission has modified the text of the summaries prepared by NSCC.

³ 15 U.S.C. 78q-1.

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

Written comments relating to the rule change have not yet been solicited or received.

NSCC will notify the Commission of any written comments received by NSCC.

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

The foregoing rule change has become effective upon filing pursuant to Section 19(b)(3)(A) of the Act⁴ and Rule 19b-4(f)⁵ thereunder because it does not significantly affect the respective rights or obligations of the clearing agency or persons using the service and does not adversely affect the safeguarding of securities or funds in the custody or control of NSCC or for which it is responsible. At any time within sixty days of the filing of the 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 rule change is consistent with the Act. Comments may be submitted by any of the following methods:

Electronic comments:

- Use the Commission's Internet comment form (<http://www.sec.gov/rules/sro.shtml>) or

⁴ 15 U.S.C. 78s(b)(3)(A).

⁵ 17 CFR 240.19b-4(f).

- Send an e-mail to rule-comments@sec.gov. Please include File Number SR-NSCC-2005-12 on the subject line.

Paper comments:

- Send paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 100 F Street, NE, Washington, DC 20549-9303.

All submissions should refer to File Number SR-NSCC-2005-12. This file number should be included on the subject line if e-mail is used. To help the Commission process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov/rules/sro.shtml>). Copies of the submission, all subsequent amendments, all written statements with respect to the rule change that are filed with the Commission, and all written communications relating to the 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, 100 F Street, NE, Washington, DC 20549. Copies of such filings also will be available for inspection and copying at the principal office of NSCC and on NSCC's Web site at www.nsc.com. All comments received will be posted without change; the Commission does not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All

submissions should refer to File Number SR-NSCC-2005-12 and should be submitted on or before [insert date 21 days from publication in the Federal Register].

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

Jonathan G. Katz
Secretary

⁶ 17 CFR 200.30-3(a)(12).