

the difference must represent twenty-five percent or more of the newly calculated required fund deposit. DTC will continue to calculate each participant's required fund deposit each day and will collect any deficiency between the required fund deposit and the actual fund deposit that does not satisfy both of these conditions on a monthly basis.

II. Discussion

Section 17A(b) (3) (F) of the Act³ requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds that are in the custody and control of the clearing agency or for which it is responsible. The Commission believes that the rule change is consistent with DTC's obligations under Section 17A(b)(3)(F) because it allows DTC to correct significant differences between a participant's required fund deposit and actual fund deposit sooner. As a result, DTC's potential exposure to a defaulting participant should be reduced.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A of the Act⁴ and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁵ that the proposed rule change (File No. SR-DTC-98-13) be, and hereby is, approved.

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

Jonathan G. Katz,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41054; File No. SR-NYSE-98-48]

Self-Regulatory Organizations; Order Approving Proposed Rule Change by the New York Stock Exchange, Inc. Permanently Approving a Pilot Program Amending Paragraph 902.02 of the Exchange's Listed Company Manual to Reduce Listing Fees for Amalgamations

February 16, 1999.

I. Introduction

On December 28, 1998, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") submitted to the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change establishing a pilot program to amend paragraph 902.02 of the Exchange's Listed Company Manual ("Manual") and seeking permanent approval of the pilot program. Paragraph 902.02 of the Manual contains the schedule of current listing fees for companies listing securities on the Exchange.

The proposed rule change was published for comment in the **Federal Register** on January 15, 1999.³ The Commission received no comments on the proposal. This order approves the proposal.

II. Description of Proposal

The proposed rule change amends the listed company fee schedule, set forth in Paragraph 902.02 of the Manual, as it applies to certain business combinations. Specifically, the Exchange is codifying its long-standing interpretation of the term "amalgamation," and deleting language inconsistent with the application of that definition. Further, the Exchange is making non-substantive clarifications to the provision of the Manual that states that the fee for a company listing as a result of an amalgamation is 25% of the basic initial fee.

The Exchange's long-standing interpretation of the term "amalgamation" is the consolidation of two or more NYSE-listed companies into a new company. The Exchange is

proposing to codify this definition into Paragraph 902.02 of the Manual. While language to that effect currently exists in the Manual, a "housekeeping" change is required to clarify that (1) an amalgamation is defined as the consolidation of two or more NYSE-listed companies into a new listed company, and (2) a reduced initial fee will be applied to listing resulting from an amalgamation.

A further housekeeping change is required as the result of a recent change to Paragraph 902.02 of the Manual, currently in effect as a pilot, which implemented a reduced listing fee for mergers between an NYSE-listed company and a non-NYSE listed company.⁴ Specifically, current language is being deleted from the rule that refers to the merger of listed companies into an unlisted company which becomes listed.⁵ This language is no longer necessary in light of the recent amendments.

III. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of the Act⁶ and the rules and regulations thereunder applicable to a national securities exchange, and in particular, with the provisions of Section 6 of the Act.⁷ More specifically, the Commission believes that the proposed rule change is consistent with Section 6(b)(4) of the Act, which requires that the rules of an exchange assure the equitable allocation of reasonable dues, fees, and other charges among members, issuers, and other persons using its facilities.⁸ The Commission believes that the proposal enhances the clarity of the Manual with respect to initial listing fees. As a result, the Commission finds that the proposal is consistent with the Act.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁹ that the

⁴ See Securities Exchange Act Release No. 40698 (November 20, 1998), 63 FR 65833 (November 30, 1998).

⁵ When an NYSE-listed company merges with another NYSE-listed company that becomes unlisted and then lists on the NYSE, the full fee shall apply. Telephone conversation between Daniel Beyda, Associate General Counsel, NYSE; David Sieradzki, Special Counsel, Division of Market Regulation ("Division"), Commission; and Robert Long, Attorney, Division, Commission on January 4, 1999.

⁶ In permanently approving the pilot, the Commission considered the pilot's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁷ 15 U.S.C. 78f.

⁸ 15 U.S.C. 78f(B)(4).

⁹ 15 U.S.C. 78s(b)(2).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 40887 (January 6, 1999), 64 FR 2693 (Notice of filing and order granting partial accelerated approval to the proposed rule change establishing a pilot program to reduce initial listing fees for amalgamations. The pilot expires on April 5, 1999.)

³ 15 U.S.C. 78q-1 (b)(3)(F).

⁴ 15 U.S.C. 78q-1.

⁵ 15 U.S.C. 78s(b) (2).

⁶ 17 CFR 200.30-3(a)(12).

proposed rule change (SR-NYSE-98-48) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Jonathan G. Katz,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-41055; File No. SR-NYSE-98-40]

Self-Regulatory Organizations; Order Approving Proposed Rule Change by the New York Stock Exchange, Inc. Permanently Approving a Pilot Program Amending Paragraph 902.02 of the Exchange's Listed Company Manual to Reduce Initial Listing Fees Under Certain Circumstances

February 16, 1999.

I. Introduction

On November 20, 1998, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") submitted to the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change establishing a pilot program to amend paragraph 902.02 of the Exchange's Listed Company Manual ("Manual") and seeking permanent approval of the pilot program. Paragraph 902.02 of the Manual contains the schedule of current listing fees for companies listing securities on the Exchange.

The proposed rule change was published for comment in the **Federal Register** on November 30, 1998.³ The Commission received no comments on the proposal. This order approves the proposal.

II. Description of Proposal

The proposed rule change amends the listed company fee schedule, set forth in Paragraph 902.02 of the Manual, as it applies to certain business combinations. Specifically, the Exchange seeks to adopt a reduced fee structure for mergers between an NYSE-listed company and a non-NYSE listed

company (not including "back door listings" pursuant to paragraph 703.08(E) of the Manual).

The Exchange proposes to reduce the basic initial listing fee such that the fee is 25% of the applicable basic initial listing fee for the above specified listings that occur within 12 months of the merger. However, if the merger and subsequent listing occur within 12 months of the initial listing of the NYSE-listed company, the Exchange proposes to reduce the basic initial listing fee for the merged entity to the lesser of (a) 25% of the applicable basic initial listing fee for the merged entity; or (b) the full applicable basic initial listing fee for the merged entity less the fee already paid by the NYSE-listed company at the time of its initial listing.

III. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of the Act⁴ and the rules and regulations thereunder applicable to a national securities exchange, and in particular, with the provisions of Sections 6⁵ and 11A of the Act.⁶ More specifically, the Commission believes that the proposed rule change is consistent with Sections 6(b)(4)⁷ and 11A(a)(1)(C)(ii) of the Act.⁸ Section 6(b)(4) requires that the rules of an exchange assure the equitable allocation of reasonable dues, fees, and other charges among members, issuers, and other persons using its facilities. In Section 11A(a)(1)(C)(ii) of the Act, Congress found that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure fair competition among exchange markets, and between exchange markets and markets other than exchange markets.

The Commission believes that, by reducing initial listing fees under certain circumstances, the proposal may ease the financial burdens of merger transactions with Exchange-listed issuers, thus facilitating capital formation. The Commission also believes that the proposed reduction in listing fees, which applies to all similarly situated issuers, may increase competition for listings between market centers. For the foregoing reasons, the Commission finds that the NYSE's proposal is consistent with the Act.

⁴ In permanently approving the pilot, the Commission considered the pilot's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78f.

⁶ 15 U.S.C. 78k-1.

⁷ 15 U.S.C. 78F(b)(4)

⁸ 15 U.S.C. 78k-1(a)(1)(C)(ii).

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁹ that the proposed rule change (SR-NYSE-98-40) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Jonathan G. Katz,

Secretary.

[FR Doc. 99-4634 Filed 2-24-99; 8:45 am]

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DEPARTMENT OF STATE

[Public Notice No. 2983]

Advisory Committee on International Law; Notice of Committee Meeting

A meeting of the Advisory Committee on International Law will take place on Monday, March 15, 1999 from 10:00 a.m. to approximately 5:00 p.m., as necessary, in Room 6417 of the United States Department of State, 2201 C Street, N.W., Washington, D.C. The meeting will be chaired by the Legal Adviser of the Department of State, David R. Andrews, and will be open to the public up to the capacity of the meeting room. The meeting will discuss the International Law Commission's 1998 report, residual head of state immunity, the new Executive Order on implementation of human rights treaties, the proposed convention on the enforcement of judgments, developments involving the International Criminal Court and the International Court of Justice, and other current topics.

Entry to the building is controlled and will be facilitated by advance arrangements. Members of the public desiring access to the session should, by Wednesday, March 3, 1999, notify the Office of the Assistant Legal Adviser for United Nations Affairs (telephone (202) 647-2767) of their name, Social Security number, date of birth, professional affiliation, address and telephone number in order to arrange admittance. This includes both government and non-government admittance. All attendees must use the "C" Street entrance. One of the following valid IDs will be required for admittance: any U.S. driver's license with photo, a passport, or a U.S. Government agency ID.

⁹ 15 U.S.C. 78s(b)(2).

¹⁰ 17 CFR 200.30-3(a)(12).

¹⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 40698 (November 20, 1998), 63 FR 65833 (Notice of filing and order granting partial accelerated approval to the proposed rule change establishing a pilot program to reduce initial listings fees under certain circumstances. The pilot program expires on February 19, 1999.).