

### F. Accelerated Approval of Proposed Rule Change and Amendment No. 1

The Commission finds good cause to approve the proposed rule change prior to the thirtieth day after the date of publication of notice of filing thereof in the **Federal Register**. First, the Commission notes that no comments were received on the original proposal, which was subject to the full 21-day notice and comment period. Second, the Commission believes that the trading of options on the Index will allow investors holding positions in some or all of the securities underlying the Index to hedge the risks associated with their portfolios. The Commission also believes that the Index options will provide investors with an important trading and hedging mechanism.<sup>18</sup> Finally, the Commission believes that the trading of options on the E\*Commerce Index will serve to broaden the hedging and investment opportunities of investors.

With respect to Amendment No. 1, the Commission notes that Amendment No. 1 does not change, but rather clarifies, the proposed rule change, and thus does not raise any new regulatory issues.<sup>19</sup> Specifically, Amendment No. 1 clarifies that the base date for the E\*Commerce Index has been changed to June 30, 1998. The index level on that date was set to 100.00. Based on this adjustment, the index level on January 21, 1999 was 233.75.<sup>20</sup>

Accordingly, the Commission believes that it is consistent with Sections 6(b)(5) and 19(b)(2)<sup>21</sup> of the Act to approve the proposed rule change, and Amendment No. thereto, on an accelerated basis.

### IV. Solicitation of Comments

Interested person are invited to submit written data, views and arguments concerning the foregoing, including whether the proposal is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the

based on the opening prices of component securities).

<sup>18</sup> See note 10, supra.

<sup>19</sup> See note 5, supra.

<sup>20</sup> In the original proposal the Index divisor was initially calculated to yield a benchmark level of 200.00 at the close of trading on January 4, 1999 with the Index having a closing level of 259.43 on January 21, 1999.

<sup>21</sup> 15 U.S.C. 78s(b)(2).

proposed 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, 450 Fifth Street, NW, Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of CBOE. All submissions should refer to file number SR-CBOE-99-05 in the caption above and should be submitted by March 25, 1999.

### V. Conclusion

*It is therefore ordered*, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (SR-CBOE-99-05), including Amendment No. 1, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>22</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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## SECURITIES AND EXCHANGE COMMISSION

[Release 34-41103; International Series Release No. 1185; File No. 600-20]

### Self-Regulatory Organizations; International Securities Clearing Corporation; Notice of Filing and Order Approving a Request for Extension of Temporary Registration as a Clearing Agency

February 24, 1999.

Notice is hereby given that on February 1, 1999, the International Securities Clearing Corporation ("ISCC") filed with the Securities and Exchange Commission ("Commission") an application pursuant to Section 19(a) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> requesting that the Commission extend ISCC's temporary registration as a clearing agency for one year.<sup>2</sup> The Commission is publishing this notice and order to solicit comments from interested persons and to extend ISCC's temporary registration as a clearing agency until February 29, 2000.

On May 12, 1989, pursuant to Sections 17A(b) and 19(a) of the Act<sup>3</sup> and rule 17Ab2-1 promulgated

<sup>22</sup> 17 CFR 200.30-3(a)(12).

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

<sup>2</sup> Letter from Julie Beyers, Vice President and Associate Counsel, ISCC (January 28, 1999).

<sup>3</sup> 15 U.S.C. 78q-1(b) and 78s(a).

thereunder,<sup>4</sup> the Commission granted ISCC's application for registration as a clearing agency for a period of eighteen months.<sup>5</sup> Since that time, the Commission has extended ISCC's temporary registration through February 28, 1999.<sup>6</sup>

ISCC was created to provide safe and efficient clearance and settlement of securities transactions between United States broker-dealers and foreign financial institutions. ISCC serves this function through its Global Clearance Network service and through its settlement links with foreign clearing entities such as the Euroclear system, which is operated by the Brussels Office of Morgan Guaranty Trust Company of New York.<sup>7</sup>

As part of ISCC's temporary registration, the Commission granted ISCC a temporary exemption from compliance with Section 17A(b)(3)(C) of the Act,<sup>8</sup> which requires that the rules of a clearing agency assure the fair representation of its shareholders or members and participants in the selection of its directors and administration of its affairs. The Commission granted this temporary exemption due to ISCC's limited participant base. In July 1997, the Commission approved ISCC's new structure for matters relating to its corporate governance.<sup>9</sup> The Commission concluded that these changes were consistent with ISCC's obligation to provide fair representation to its participants and eliminated its exemption from Section 17A(b)(3)(C) of the Act. However, due to internal reorganization considerations, the changes were not implemented. Accordingly, ISCC has requested that the Commission reinstate its exemption from the fair representation requirements.

Because ISCC has not yet implemented its new structure, the Commission is reinstating ISCC's temporary exemption from the fair representation requirements of Section

<sup>4</sup> 17 CFR 240.17Ab2-1.

<sup>5</sup> Securities Exchange Act Release No. 26812 (May 12, 1989), 54 FR 21691.

<sup>6</sup> Securities Exchange Act Release Nos. 28606 (November 16, 1990), 55 FR 47976; 30005 (November 27, 1991), 56 FR 63747; 33233 (November 22, 1993), 58 FR 63195; 36529 (November 29, 1995), 60 FR 62511; 37986 (November 25, 1996), 61 FR 64184; 38703 (May 30, 1997), 62 FR 31183; and 39700 (February 26, 1998) 63 FR 10669.

<sup>7</sup> Securities Exchange Act Release Nos. 29841 (October 18, 1991), 56 FR 55960 (order approving ISCC's Global Clearance Network service) and 32564 (June 30, 1993), 58 FR 36722 (order approving linkage with Euroclear).

<sup>8</sup> 15 U.S.C. 78q-1(b)(3)(C).

<sup>9</sup> Securities Exchange Act Release No. 38846 (July 17, 1997), 62 FR 39562.

17A(b)(3)(C) and is extending ISCC's temporary registration as a clearing agency through February 29, 2000.

Interested persons are invited to submit written data, views, and arguments concerning the foregoing application. Such written data, views, and arguments will be considered by the Commission in granting registration or instituting proceedings to determine whether registration should be denied in accordance with Section 19(a)(1) of the Act.<sup>10</sup> Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the amended application for registration and all written comments will be available for inspection at the Commission's Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549. All submissions should refer to File No. 600-20 and should be submitted by March 25, 1999.

It is therefore ordered pursuant to Section 19(a) of the Act, that ISCC's registration as a clearing agency (File No. 600-20) be and hereby is temporarily approved through February 29, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>11</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-41106; File No. SR-DTC-98-25]

**Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Fees for Domestic Tax Information**

February 25, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on December 11, 1998, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission"), the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by DTC. The Commission is publishing this notice to solicit comments from interested persons on the proposed rule change.

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

The proposed rule change establishes the fees charged by DTC for various services provided.

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

In its filing with the Commission, DTC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.<sup>2</sup>

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

The purpose of the proposed rule change is to establish fees for providing domestic tax information. For domestic tax information transmitted through DTC's Computer-to-Computer Facility (CCF), effective December 15, 1998, DTC will charge the following fees.

Service	Present fee	Proposed fee
XIX. Participant Output Services:		
• Computer-to-Computer Facility:		
(CCF) Output Transmissions:		
—Domestic Tax Reporting Service Master File (DTAXMF) .....	None .....	\$200 per request.
—Domestic Tax Reporting Service Update (DTAXUP) .....	None .....	\$150 per month.

For domestic tax information transmitted through DTC's Participant Terminal System (PTS), effective December 15, 1998, DTC will apply its current PTS inquiry fee of \$.09 per inquiry.

DTC believes the proposed rule change is consistent with the requirements of section 17A of the Act<sup>3</sup> and the rules and regulations thereunder applicable to DTC since the proposed fees will be equitably allocated among participants obtaining tax information.

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

DTC does not believe that the proposed rule change will impose any burden on competition that is not

necessary or appropriate in furtherance of the purposes of the Act.

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

No comments on the proposed rule change were solicited or received.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii)<sup>4</sup> of the Act and pursuant to rule 19b-4(f)(2)<sup>5</sup> promulgated thereunder because the proposal establishes or changes a due, fee, or other charge imposed by DTC. At any time within sixty days of the filing of such proposed

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 proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements

<sup>10</sup> 15 U.S.C. 78s(a)(1).

<sup>11</sup> 17 CFR 200.30-3(a)(16).

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

<sup>2</sup> The Commission has modified the text of the summaries prepared by DTC.

<sup>3</sup> 15 U.S.C. 78q-1.

<sup>4</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>5</sup> 17 CFR 240.19b-4(f)(2).