

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46956; File No. SR-DTC-2002-15]

Self-Regulatory Organizations; The Depository Trust Company; Order Granting Accelerated Approval of a Proposed Rule Change To Eliminate the FAST Certificates-on-Demand Service

December 6, 2002.

I. Introduction

On September 4, 2002, The Depository Trust Company filed with the Securities and Exchange Commission ("Commission") a proposed rule change File No. SR-DTC-2002-15 pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").¹ Notice of the proposal was published in the **Federal Register** on November 12, 2002.² No comment letters were received. For the reasons discussed below, the Commission is granting accelerated approval of the proposed rule change.

II. Description

Currently, DTC's FAST COD service allows participants to request for same day availability a physical certificate in the participant's or its nominee's name for issues which are held in DTC's nominee name, Cede & Co., at the transfer agent under DTC's FAST program. After consultation with the largest users of the service, DTC has decided to eliminate the FAST COD service due to decreasing demand for the service. Currently, there is an average of approximately five FAST COD requests per day. In the place of FAST COD, participants may continue to use the Rush Withdrawals-by-Transfer ("RWT") service³ or the Deposit/Withdrawal at Custodian ("DWAC") service.⁴ RWT allows participants to quickly obtain physical certificates, which can be registered in either the participant's name or its customer's name. Using DWAC,

participants can request certificates in client name directly from the transfer agents.

III. Discussion

Section 17A(b)(3)(F) requires that the rules of a clearing agency be designed to remove impediments to and perfect the mechanism of a national system for the prompt and accurate clearance and settlement of securities transactions.⁵ By eliminating a duplicative and infrequently used service such as FAST COD, the rule change allows DTC to better allocate the resources used on FAST COD toward other needed programs or improvements. An improved distribution of resources should assist DTC in removing impediments to and perfecting the national system for the prompt and accurate clearance and settlement of securities transactions. Furthermore, DTC has other services, RWT and DWAC, that it participants can use in place of FAST COD. Accordingly, the Commission believes the proposed rule change is consistent with the Act and specifically with Section 17A(b)(3)(f) of the Act.

DTC has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of the filing. The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after publication because this will allow DTC to eliminate the FAST COD service and reallocate those resources to other projects scheduled for completion by the end of the year.

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-2002-15) be and hereby is approved on an accelerated basis.

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

Jill M. Peterson,*Assistant Secretary.*

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BILLING CODE 8010-01-P**SECURITIES AND EXCHANGE COMMISSION**

[Release No. 34-46959; File No. SR-ISE-2002-27]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the International Securities Exchange, Inc., Relating to the Repeal of Limitations on Orders

December 6, 2002.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice is hereby given that on November 21, 2002, the International Securities Exchange, Inc. ("ISE" or "Exchange"), 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 by the ISE. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

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

The Exchange is proposing to repeal the provision in Rule 717 that prohibits Electronic Access Members ("EAMs") from sending in more than one order every 15 seconds for the same beneficial owner in options on the same underlying security. Below is the text of the proposed rule change. Proposed deletions are in [brackets].

* * * * *

Rule 717. Limitations on Orders

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[(h) Multiple Orders for the Same Beneficial Account.

Members shall not cause the entry of more than one order every fifteen (15) seconds for the account of the same beneficial owner in options on the same underlying security; provided, however that this shall not apply to multiple orders in different series of options on the same underlying security if such orders are part of a spread.]

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

In its filing with the Commission, the ISE 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

¹ 15 U.S.C. 78s(b)(1).² Securities Exchange Act Release No. 46772, (November 5, 2002, 67 FR 68709, 2002).³ For more information about the RWT service, see Securities Exchange Act Release Nos. 30505 (March 20, 1992) [SR-DTC-91-23] (order approving implementation of the RWT service on permanent basis); 27518 (December 7, 1989) (order granting temporary extension of the RWT service); 26960 (June 23, 1989) [SR-DTC-89-11] (order granting approval of the RWT service procedures); 27052 (July 21, 1989) [SR-DTC-89-1] (order granting temporary approval of the RWT service).⁴ For more information about the DWAC service, see Securities Exchange Release No. 30283 (January 23, 1992) [SR-DTC-91-16] (order granting approval of the DWAC service).⁵ 15 U.S.C. 78q-1(b)(3)(F).⁶ 17 CFR 200.30-3(a)(12).¹ 15 U.S.C. 78s(b)(1).² 17 CFR 240.19b-4.