than 15 days prior to the date of the meeting.

Dated: July 2, 1996.

Alan M. Ladwig,

Acting Advisory Committee Management Officer, National Aeronautics and Space Administration.

[FR Doc. 96–17442 Filed 7–9–96; 8:45 am]

BILLING CODE 7510–01–M

NUCLEAR REGULATORY COMMISSION

Advisory Committee on Nuclear Waste; Notice of Meeting

The Advisory Committee on Nuclear Waste (ACNW) will hold its 85th meeting on August 21–23, 1996, Room T–2B3, at 11545 Rockville Pike, Rockville, Maryland. The date of this meeting was previously published in the Federal Register on Wednesday, December 6, 1995 (60 FR 62485).

The entire meeting will be open to public attendance.

The agenda for this meeting shall be as follows:

Wednesday, August 21, 1996—8:30 a.m. until 6:00 p.m.
Thursday, August 22, 1996—8:30 a.m. until 6:00 p.m.
Friday, August 23, 1996—8:30 a.m. until 4:00 p.m.

During this meeting, the Committee plans to consider the following:

A. *Thermal-Mechanical-Hydrological-Chemical Coupled Processes*—The Committee will devote an entire day to a study of the Department of Energy and NRC staff plans to develop and use coupled process models in evaluating various aspects of repository performance. The Committee will investigate how thermal input to the host rock and ground water system will effect the hydrolic, mechanical, and chemical characteristics and processes of the geologic systems.

B. *Meeting with the Director, NRC's Division of Waste Management, Office of Nuclear Materials Safety and Safeguards*—The Director will discuss items of current interest related to the Division of Waste Management programs which may include: progress at the Yucca Mountain site, the status of EPA's Yucca Mountain standards and NRC's high-level waste regulations, and the status of a branch technical position on low-level waste performance assessment.

C. *Preparation of ACNW Reports*—The Committee will discuss proposed reports, including: specifying a critical group and reference biosphere to be used in a performance assessment of a nuclear waste disposal facility, the consideration of coupled processes (Thermal-Mechanical-Hydrological-Chemical) in the design of a high-level waste repository, and comments on a Branch Technical Position on the use of Expert Elicitation.

D. *Technical Guidance on Expert Elicitation*—The Committee will review the NRC staff's draft technical position on the use of expert elicitation in the licensing of a nuclear waste disposal facility.

E. *Time of Compliance in Low-Level Waste Disposal*—The Committee will discuss options for setting a regulatory time of compliance for a low-level waste disposal facility. Participation by representatives of individual states is anticipated.

F. *Committee Activities/Future Agenda*—The Committee will consider topics proposed for future consideration by the full Committee and Working Groups. The Committee will discuss ACNW-related activities of individual members.

G. *Miscellaneous*—The Committee will discuss miscellaneous matters related to the conduct of Committee activities and organizational activities and complete discussion of matters and specific issues that were not completed during previous meetings, as time and availability of information permit.

Procedures for the conduct of and participation in ACNW meetings were published in the Federal Register on September 27, 1995 (60 FR 49924). In accordance with these procedures, oral or written statements may be presented by members of the public, electronic recordings will be permitted only during those portions of the meeting that are open to the public, and questions may be asked only by members of the Committee, its consultants, and staff. Persons desiring to make oral statements should notify the Chief, Nuclear Waste Branch, Mr. Richard K. Major, as far in advance as practicable so that appropriate arrangements can be made to allow the necessary time during the meeting for such statements. Use of still, motion picture, and television cameras during this meeting may be limited to selected portions of the meeting as determined by the ACNW Chairman. Information regarding the time to be set aside for this purpose may be obtained by contacting the Chief, Nuclear Waste Branch prior to the meeting. In view of the possibility that the schedule for ACNW meetings may be adjusted by the Chairman as necessary to facilitate the conduct of the meeting, persons planning to attend should check with Mr. Major if such rescheduling would result in major inconvenience.

Further information regarding topics to be discussed, whether the meeting has been cancelled or rescheduled, the Chairman's ruling on requests for the opportunity to present oral statements and the time allotted therefor can be obtained by contacting Mr. Richard K. Major, Chief, Nuclear Waste Branch (telephone 301/415–7366), between 8:00 a.m. and 5:00 p.m. EDT.

ACNW meeting notices, meeting transcripts, and letter reports are now available on FedWorld from the ''NRC MAIN MENU.'' Direct Dial Access number to FedWorld is (800) 303–9672; the local direct dial number is 703–321–3339.

Dated: July 3, 1996.

Andrew L. Bates,

Advisory Committee Management Office.

[FR Doc. 96–17552 Filed 7–9–96; 8:45 am]

BILLING CODE 7590–01–P

RAILROAD RETIREMENT BOARD

Sunshine Act Meeting

Notice is hereby given that the Railroad Retirement Board will hold a meeting on July 17, 1996, 9:00 a.m., at the Board's meeting room on the 8th floor of its headquarters building, 844 North Rush Street, Chicago, Illinois, 60611. The agenda for this meeting follows:

(1) Draft Legislation to Enhance Debt Collection Efforts: Section 12(o) Lien Authority.
(2) Legislative Program for Fiscal Year 1998.
(3) Administrative Circular REF(IRM)–1. Custon Tailored Information Services.
(4) Coverage Determinations:
A. WCL Railcars, Inc.
B. Contract Rail Service Company.
(5) Regulations—Part 211, Pay for Time Lost.
(6) Medicare Part B Services (Contract No. 92RRB006) and Update on Status Of Medicare Transaction System (MTS) and Of Meetings with MetraHealth and Health Care Financing Administration (HCFA).
(7) Labor Member Truth in Budgeting Status Report.

The entire meeting will be open to the public. The person to contact for more information is Beatrice Ezerski, Secretary to the Board, Phone No. 312–751–4920.

Dated: July 5, 1996.

Beatrice Ezerski,

Secretary to the Board.

[FR Doc. 96–17642 Filed 7–8–96; 9:03 am]

BILLING CODE 7905–01–M

SECURITIES AND EXCHANGE COMMISSION

[Rel. No. IC–22051; International Series Release No. 1000/812–9898]

The T. Rowe Price International Funds, Inc., et al.; Notice of Application

July 2, 1996.

AGENCY: Securities and Exchange Commission (''SEC'').

ACTION: Notice of Application for Exemption under the Investment Company Act of 1940 (the ''Act'').

APPLICANTS: T. Rowe Price International Funds, Inc., T. Rowe Price International Series, Inc., Institutional International Fund, Inc., and Rowe Price-Fleming International, Inc. (''Price-Fleming'').

RELEVANT ACT SECTIONS: Order requested under section 10(f) granting an exemption from that section.

SUMMARY OF APPLICATION: Applicants request an order to permit T. Rowe Price International Funds, Inc., T. Rowe Price International Series, Inc., and Institutional International Fund, Inc. to purchase securities that are not registered under the Securities Act of 1933 (the ''Securities Act'') from an underwriting syndicate when the funds' investment adviser is an affiliated person of a principal underwriter in the syndicate.

FILING DATE: The application was filed on December 15, 1995 and amended on May 3, 1996. Applicants have agreed to file an amendment, the substance of which is incorporated herein, during the notice period.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on July 29, 1996, and should be accompanied by proof of service on applicant, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicants, 100 East Pratt Street, Baltimore, Maryland 21202.

FOR FURTHER INFORMATION CONTACT: David W. Grim, Staff Attorney, at (202) 942–0571, or Robert A. Robertson, Branch Chief, at (202) 942–0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch.

Applicants' Representations

I. Background

1. T. Rowe Price International Funds, Inc., T. Rowe Price International Series, Inc., and Institutional International Fund, Inc. are open-end management investment companies registered under the Act. Each fund was organized as a Maryland corporation, and each fund invests primarily in foreign equity and fixed income securities.

2. Applicants request that any exemptive order issued pursuant to the application also apply to any other registered investment company, or separate investment series thereof, which in the future is advised or managed by Price-Fleming, or an entity controlling, controlled by or under common control with Price-Fleming, and which is a member of the T. Rowe Price ''group of investment companies,'' as defined in rule 11a–3(a)(5) under the Act (each, a ''Future International Fund''). In addition, applicants request that any exemptive order issued pursuant to the application also apply to any other registered investment company, or separate investment series thereof, to which Price-Fleming currently or in the future acts as sub-adviser (each, a ''Sub-Advised Fund'') (together, with T. Rowe Price International Funds, Inc., T. Rowe Price International Series, Inc., Institutional International Fund, Inc., and the Future International Funds, the ''International Funds'').

3. Price-Fleming is a registered investment adviser under the Investment Advisers Act of 1940 (the ''Advisers Act''). Price-Fleming is adviser or sub-adviser, as the case may be, to each of the International Funds. Price-Fleming is one of America's largest international mutual fund managers with approximately $20 billion under management in its offices in Baltimore, London, Tokyo and Hong Kong. Price-Fleming was incorporated in Maryland in 1979 as a joint venture between T. Rowe Price and Robert Fleming Holdings Limited (''Fleming Holdings''). The common stock of Price-Fleming is 50% owned by a wholly-owned subsidiary of T. Rowe Price Associates, Inc. (''T. Rowe Price''), 25% owned by a subsidiary of Fleming Holdings and 25% owned by Jardine Fleming Group Limited (''Jardine Fleming''). Half of Jardine Fleming is owned by Fleming Holdings and half is owned by Jardine Matheson Holdings Limited. T. Rowe Price has the right to elect a majority of the board of directors of Price-Fleming, and Fleming Holdings has the right to elect the remaining directors, one of whom will be nominated by Jardine Fleming.

4. Fleming Holdings is a diversified investment organization which participates in a global network of regional investment offices. Currently, the following direct or indirect subsidiaries of Fleming Holdings may participate as principal underwriters in international securities offerings in which the International Funds may invest (the location of each such underwriter's principal office(s) is set forth in parenthesis following its name): Robert Fleming Securities Limited (London), Jardine Fleming Securities Limited (Hong Kong, Tokyo, Seoul), Jardine Fleming Taiwan Limited (Taipei), PT Jardine Fleming Nusantara (Jakarta), Jardine Fleming Thanakom Securities Limited (Thailand), Ord Minnett Securities Ltd. (Melbourne, Wellington), Fleming Martin Ltd. (London), Jardine Fleming Australia Securities Ltd. (Sydney), Jardine Fleming Australia Management Ltd. (Melbourne), Jardine Fleming New Zealand Limited (Wellington), Jardine Fleming India Limited (Bombay) and Pesaka Jardine Fleming SDN, BHD (Kuala Lumpur) (together with any additional entities existing or created in the future which are direct or indirect subsidiaries of Flemings Holdings and which may participate as principal underwriters in international underwritings in which the International Funds participate, the ''Affiliated Syndicate''). The entities in the Affiliated Syndicate and Price-Fleming are or may be deemed to be ''affiliated persons'' of each other within the meaning of section 2(a)(3) of the Act.

5. To the extent any of the entities in the Affiliated Syndicate participates as principal underwriter in an international securities offering, the International Funds would be prohibited from purchasing securities in such offering, absent the relief requested herein. Applicants request that the International Funds be permitted to purchase, through the Affiliated Syndicate, foreign securities which are not registered under the Securities Act. Foreign securities purchased pursuant to the exemptive relief being sought will be issued in public offerings conducted in accordance with the applicable laws of Australia, Brazil, France, India,

Indonesia, Ireland, Japan, Mexico, the Philippines, South Africa, Sweden, Taiwan, and Thailand (the ''Countries''), and the applicable rules and regulations of the stock exchanges and regulated unlisted market(s), if any, in such Countries.

II. Information About the Countries

A. Australia

1. Securities regulation throughout Australia derives its authority from the Corporations Law 1991 (the ''Australia Corporations Law''). The legislation covers a wide range of issues, including raising capital, preparation of prospectuses, and personal liability for false or misleading statements and omissions. The Australian Stock Exchange Limited (the ''ASX'') operates in the capital cities of each of the six states in Australia. The Australia Corporations Law is administered by the Australian Securities Commission (the ''ASC''), which is accountable and responsible to the Commonwealth Attorney General and the Commonwealth Parliament. All securities purchased in offerings in Australia by the International Funds pursuant to the requested relief will be listed or approved for listing on the ASX.

2. The Listing Rules of the ASX impose various reporting and other obligations on listed companies, in addition to the obligations imposed by the Australia Corporations Law. Companies wishing to list their securities with the ASX must be of a sufficient size and their prospectuses, articles of association, share certificates, annual accounts, and other published documents must conform to the requirements of the Australia Corporations Law and the ASX. Among other things, the ASX Listing Rules require listed companies to promptly announce the declaration of dividends and new issues of capital, to provide semi-annual financial reports and to disclose other information which may have an important bearing on market value. The ASX Listing Rules also require disclosure of all material information on an ongoing basis. The other requirements of the ASX to obtain a listing relate to minimum capitalization, shareholder distributions, and size of operation or net tangible assets. In order to list, a company must have an initial minimum capitalization of $AUD 1,000,000 (approximately US $787,402 at current exchange rates). Further, the company must have at least 500 shareholders, each of whom holds shares with a market value of at least $AUD 2,000 (approximately US $1,575 at current exchange rates).

3. Under the Australia Corporations Law, issuers that intend to make public offerings of securities are required to file with the ASC a prospectus or a sale notice which complies with statutory requirements intended to ensure full and fair disclosure. In almost all cases where an initial public offering is involved, the practical effect of the provisions will be that similar information and disclosure will be required to be made, irrespective of the form of document legally required.

4. The Australia Corporations Law provides only in general terms the kind of information required to appear in a prospectus; it does not provide a statutory checklist of information required. A prospectus is required to contain ''all such information as investors and their professional advisers would reasonably require, and reasonably expect to find in a prospectus, for the purpose of making an informed assessment of: (i) the assets and liabilities, financial position, profits and losses, and prospects of the corporation; and (ii) the rights attaching to the securities.'' There is no legal requirement that financial statements be included in the prospectus. However, as a matter of practice, where a company which issues a prospectus has a track record, it is usual for a summary of historical financial information to be included. In many cases, this period extends to the last three financial years. In other prospectuses, however, only a summary of financial information for the most recent year is included together with a summary of pro forma financial information assuming the securities offered under the prospectus are actually issued. It is unusual for the actual financial statements themselves to be included in the prospectus. In addition, a prospectus usually includes directors' forecasts of future profits for the forthcoming year or two, and an independent accountant's report reviewing both historical and forecast financial information.

5. An underwriting commitment in Australia typically proceeds by way of bookbuilding with soft underwriting. The underwriter only takes up that portion of the public offering which is not subscribed for within a specified time (public offerings generally stay open for one month). This process has partly arisen due to market practice, and also because of tax (stamp duty) savings. Generally, no stamp duty is payable on the issue of shares. Stamp duty is usually payable on the transfer of shares listed on the ASX at the rate of 3% of the value of the shares and the rate of 6% of the value of the shares where the shares are not listed on the ASX. An underwriter will often engage sub-underwriters, or seek to place shares with institutional investors.

B. Brazil

1. All securities purchased by the International Funds in offerings in Brazil pursaunt to the requested relief will be admitted for trading or listed or approved for listing on one or more of the following exchanges or markets: Bolsa de Valores de Sao Paulo, Bolsa de Valores do Rio de Janeiro, Bolsa de Valores do Paraná, Bolsa de Valores de Santos, Bolsa de Valores de Pernambuco e Paraiba, Bolsa de Valores do Extremo Sul, Bolsa de Valores de Minas Gerais, Brasilia e Espirito Santo, Bolsa de Valores da Bahia, Sergipe e Alagoas, and Bolsa de Valores Regional.

2. Companies wishing to become public companies must register as such with the Brazilian securities commission, the Commissoa de Valores Mobiliários (the ''CVM''), and must apply with the CVM for registration of particular securities before issuing and selling them to the public. Among other items, the application for registering an issue of securities must contain information concerning the company, a copy of the agreement concerning the distribution of the securities, a draft of the subscription documents and the prospectus, and, in some cases, a study of the economic and financial feasibility of the issue. The CVM reviews the foregoing materials and has authority to deny the registration on the grounds that the proposed issuance is unfeasible or otherwise not advisable. The CVM may also suspend a registration and the public offering after the registration has been granted if it uncovers fraud or determines that the offering is not being conducted in compliance with the materials approved or the Brazilian securities laws and regulations.

3. The public offering may commence only after the registration has been granted, the lead distributor has made the public announcement required by the CVM regulations, and the final prospectus has been made available to the public. The public offering of equity securities requires the prior approval of the company shareholders, or, if the company has authorized capital and the amount of securities to be offered are within its limit, of the company's board of directors. The issue price to the public and a justification therefor must be set in accordance with the applicable law by the company's shareholders at a shareholders' meeting even if the company has adequate authorized capital, although the shareholders may

delegate this authority to the company's board of directors.

4. Under Brazilian law, shareholders have preemptive rights to subscribe for equity securities to be issued in connection with any capital increase of the company in proportion to their current equity participation. Such preemptive rights may be eliminated only if the company has authorized capital, the securities will be issued though a public offering, and the company's by-laws expressly waive the preemptive rights. If there are no preemptive rights, a company may first offer the securities to existing shareholders, giving them a priority to subscribe for them rather than a preemptive right. In such a case, the period to exercise the priority is usually two to five days. At the end of the period for the exercise of the preemptive rights or priority, if any, the unsubscribed securities are offered to the public for subscription.

5. The offering and distribution of the securities must be made through the intermediation of distributors, which may be investment banks, brokerage firms, and securities dealers, all of whom must be registered with the CVM. The distributor may either work as an intermediary, or agent, between the issuing company and the purchasers on a best efforts basis, or acquire, partially or wholly, the securities issued for resale through a firm commitment, or standby firm commitment, underwriting. The CVM has prescribed certain terms and provisions that all distribution and underwriting contracts must contain as a minimum. In a firm commitment underwriting, any securities that are not subscribed for by the public or existing shareholders by the end of the subscription period will be subscribed for by members of the underwriting consortium in the proportion established by the consortium agreement. Applicants are seeking relief with respect to participation in underwritings in Brazil only to the extent necessary to purchase securities that are the subject of firm commitment underwritings.

C. France

1. The seven securities exchanges in France—Paris, Lyon, Nancy, Marseille, Lille, Nantes, and Bordeaux (together, the ''French Stock Exchanges'')—are all governed by the same stock exchange authorities and are subject to uniform rules and regulations. All securities purchased by the International Funds in offerings in France pursuant to the requested relief will be admitted for trading or listed, or approved for listing, on one or more of the French Stock Exchanges. Three regulatory agencies supervise the operations of the French Stock Exchanges: (i) the Counseil des Bourses de Valeurs, or Stock Exchange Council, which has general regulatory and supervisory authority over the French Stock Exchanges; (ii) the Société des Bourses Franćaises, or French Securities Exchange Company (''SBF''), which implements the rules, regulations and policies established by the Stock Exchange Council; and (iii) the Commission des Opérations de Bourse, or Commission on Securities Exchange Operations (''COB''), an autonomous administrative body that performs market regulator functions. Each of the French Stock Exchanges is comprised of three markets—the Cote Officielle or ''Official Market,'' the Second Marché or ''Second Market,'' and the Marché Hôrs-Côte or over-the-counter market.

2. French law requires any company making a public offering of securities, prior to such offering, to ''publish a public information document describing the structure, financial condition and development of the activities of such company.'' Varying levels of detail are required for the information contained in such a prospectus, depending on whether the issuer is seeking to list its securities on the Official or Second Market and on the extent of information about the issuer that is already available to the investing public. In general, COB regulations require that the prospectus must contain information necessary to inform investors as to the assets, financial condition, results of operations, and prospects of the issuer, as well as the terms of the securities being offered.

3. In addition to SBF and Stock Exchange Council oversight, an issuer seeking to list its securities on the Official Market must obtain the advance written approval for its prospectus from the COB. A Second Market prospectus does not require such COB approval, but must be filed with the COB at least three months prior to the expected admission date. The regulatory authorities' review of the listing file and prospectus typically involves a comment procedure pursuant to which the authorities seek to ensure that appropriate disclosure is being made by the issuer. The prospectus in final form must be delivered or addressed to all offerees.

4. Initial public offerings in France are made in conjunction with an initial listing of the issuer's shares on the French Stock Exchanges. In both initial and subsequent public offerings, all shares of the same class included in the offering are offered to all potential investors at a single offering price and, except for the preferential or priority subscription rights granted to existing shareholders, on the same other terms and conditions.

5. Initial public offerings and subsequent public offerings of equity securities, equity-related debt securities, and straight debt securities in France are generally underwritten by banks and certain other financial institutions authorized to underwrite securities and regulated by the Bank of France. Underwriting practices are identical for initial and subsequent public offerings. Generally, stock offerings are underwritten pursuant to a practice known as the garantie de bonne fin (literally, ''guarantee of successful result'') and equity-related debt securities and straight debt securities are underwritten ''prise ferme'' (literally, ''firm taking'').

6. All public offerings in France involving the issuance of shares that result in a capital increase are underwritten pursuant to an agreement between the issuer and an underwriting syndicate providing for a garantie de bonne fin. The agreement allots to each underwriter a specified number of the shares being offered, and each underwriter severally commits to subscribe to, of procure subscribers for, its pro rata portion (based on such respective underwriting allotments) of the number of offered shares that are not subscribed for by existing shareholders or the public pursuant to subscription rights or otherwise during a stated subscription period. The garantie de bonne fin constitutes a binding contractual obligation by the underwriters to purchase all shares in the offering that are not otherwise sold to the public and, therefore, constitutes bookbuilding with soft underwriting or standby firm commitment underwriting. The price payable by the underwriters pursuant to their standby firm commitment under the garantie de bonne fin is the same as the subscription price at which the shares are offered to the public.

7. French public offerings of equity-related debt securities, such as convertible bonds or debentures with warrants, as well as straight debt securities, are underwritten pursuant to the prise ferme method. Pursuant to the agreement between the underwriters and the issuer, each underwriter severally commits to purchase from the issuer a specific number of the newly issued securities before they are listed for trading on an exchange. In practice, the prise ferme method operates similarly to the garantie de bonne fin. Securities that have not been placed with the public or with existing security holders are purchased by the

underwriters pro rata on the basis of their respective commitments, and then are resold on the markets by the underwriters for their own accounts.

D. India

1. India's stock exchanges, while mainly self-regulating, are subject to the supervision of the Securities Exchange Board of India (''SEBI'') under the Securities Contract (Regulation) Act of 1956 (the ''SCRA'') and Rules, 1957 (the ''SCRA'') and Rules, 1957 (the ''SCRA Rules''). Currently, 24 stock exchanges in India are recognized under the SCRA Rules. All securities purchased by the International Funds in offerings in India pursuant to the requested relief will be admitted for trading or listed, or approved for listing, on one or more of the following exchanges or markets: The Stock Exchange, The Bombay Stock Exchange, The Calcutta Stock Exchange Association Ltd., Madras Stock Exchange Ltd., The Delhi Stock Exchange Association Ltd., The Hyderabad Stock Exchange Ltd., Madhya Pradesh Stock Exchange Ltd., Bangalore Stock Exchange Ltd., Cochin Stock Exchange Ltd., The Uttar Pradesh Stock Exchange Association Ltd., Pune Stock Exchange Ltd., The Ludhiana Stock Exchange Association Ltd., The Guahati Stock Exchange Ltd., Mangalore Stock Exchange Ltd., The Magadh Stock Exchange Ltd., Jaipur Stock Exchange Ltd., Bhubaneshwar Stock Exchange Association Ltd., Saurashtra Kutch Stock Exchange Ltd., The Vadodara Stock Exchange Ltd., The Coimbatore Stock Exchange Ltd., OTC Exchange of India (the ''OTCEI''), and National Stock Exchange of India Ltd.

2. SCRA Rules provide that only companies whose issued share capital par value is more than Rs 50 million (approximately US $1,464,987 at current exchange rates) and whose shares are widely held may list their shares on existing recognized stock exchanges. OTCEI was incorporated in 1990 to enable trading in securities of companies which do not meet such minimum capital requirements. Recently, OTCEI announced that certain ''main board'' securities will be eligible to trade on OTCEI. Although listing of a company's shares is generally optional, the Government may compel public companies to list their securities on the stock exchanges if such a listing is deemed to be in the public interest or in the interest of the securities market. A minimum of 25% of the ordinary shares of a company seeking a listing are required to be offered to the public.

3. A public offering of securities is generally required to be made by means of a prospectus, which must contain the information specified in the Companies Act, 1956 (the ''India Companies Act'') including, but not limited to, a description of the entire history of the company, its main objectives, the number and classes of its shares, information regarding the directors and their remuneration, and statements regarding the purpose of the raising of funds. The International Funds will not purchase securities in public offerings in India unless a prospectus relating to such securities is available.

4. The prospectus must be accompanied by an auditors report for the previous five years of the company and its subsidiaries and an expert consent. A company's directors and promoter are subject to civil and criminal liability for misstatements in a prospectus and SEBI has been delegated with the power and the authority for this purpose.

5. A public offering also requires that the company enter into a listing agreement with the relevant stock exchange. The listing agreement is statutorily prescribed and requires disclosure of information about the company prior to listing as well as, among other things, reporting of unaudited results at six month intervals with explanations of differences with audited results, providing information about material changes, changes in management and auditors once trading has commenced.

6. Underwriting is no longer mandatory. It is left to the issuer whether to have the issue partially or totally underwritten. In an underwritten offering, an underwriter enters into an underwriting agreement with the issuer and is required to commit to purchase a certain number of shares. Applications for shares received directly by the underwriter from its clients, as well as applications received by the issuer from the public independently, may serve to reduce an underwriter's obligation under the underwriting agreement based on the allocation methodology set forth in the agreement. To the extent such applications are insufficient to meet the underwriter's full obligation under the underwriting agreement, the underwriter is required to purchase the remainder of the shares. There are only two circumstances in which an underwriter may be relieved of its obligations under the underwriting agreement: (i) the issue fails to keep the subscription list for public issuer open for the maximum 10 day period (unless the issue is oversubscribed, in which case the subscription list may be kept open for less than 10 days), and (ii) the issuer fails to receive subscriptions for 90% of the issue (in which case all amounts paid in satisfaction of underwriting obligations are refunded).

7. If there is no underwriting, since all issues are conditional upon a minimum subscription requirement of 90% of the securities being issued, any deficit will result in the entire amount raised being refunded. Promoters are required to retain specified minimum holdings of equity capital, and, as a consequence, promoters can be required to purchase a portion of public issues. Shares purchased by promoters to maintain their minimum required holdings are subject to a lockup of five years, and the full subscription amount must be paid in advance before the public issue is made. Bonus issues to security holders are prohibited for 12 months following any public offering or rights issue.

E. Indonesia

1. There are currently two stock exchanges in Indonesia, the Bursa Efek Indonesia, comprised of the Jakarta Stock Exchange (''JSE'') and the Surabaya Stock Exchange (''SSE'') (together, the ''Bursa Efek''). All securities purchased by the International Funds in offerings in Indonesia pursuant to the requested relief will be admitted for trading or listed, or approved for listing, on the JSE and/or the SSE.

2. In 1976, the government established Badan Pelaksana Pasar Modal (''BAPEPAM''), the Capital Market Executive Agency. Initially, BAPEPAM was created to, among other things, establish and regulate the stock market, and evaluate and approve listings of new companies. In 1990, however, BAPEPAM's responsibilities were modified to include monitoring and regulating a market in which securities can be issued and traded regularly, fairly, and efficiently, and protecting the interests of investors and the public. Consistent with its new responsibilities, the BAPEPAM's official name was changed to the ''Capital Market Supervisory Agency.''

3. Listing requirements differ for the JSE and the SSE. Companies desiring to list shares on any exchange must be organized with limited liability. The JSE requires as conditions to listing that issuers have paid-up capital of at least Rp 2 billion (approximately US $856,714 at current exchange rates), have an operating profit and positive net income for the prior two fiscal years, and have audited financial statements for the prior year accompanied by an unqualified auditor's report. The SSE requires issuers desiring a listing to have at least Rp 1 billion (approximately US $428,357 at current exchange rates) in paid-up capital, a par value of at least

Rp 1,000 (approximately US $0.43 at current exchange rates) per share, positive net income in its most recent fiscal year, and audited financial statements accompanied by an unqualified auditor's report, provided, however, that a qualification in the auditor's report respecting financial statements for the most recent year will be acceptable.

4. Public offerings of securities in Indonesia are subject to BAPEPAM regulation and supervision. In order to conduct a public offering in Indonesia, BAPEPAM requires that issuers have been in existence for three years and have three years of profitable operations. An offering must be made by a prospectus which includes information regarding the company's history, business, operations, management, share ownership, and financial condition. The prospectus must include three years of audited financial statements, including three years of income statements, balance sheets, statements of cash flow (or equivalent), and statements of changes in stockholders' equity. Companies may have only one class of capital stock unless special permission is received from the BAPEPAM. Shareholders have preemptive rights.

5. The offering prospectus forms part of a registration statement which, together with related documents (e.g., an underwriting agreement and articles of association), must be submitted to the Chairman of the BAPEPAM for possible review. Prior to effectiveness of the registration statement, the underwriters meet with the issuer to fix the public offering price, the underwriters' compensation, and the size of the offering. Once agreed, a firm commitment underwriting agreement is entered into, and thereafter the offering period which must last at least three days begins. During this period, the prospectus must be publicly distributed. Given the possibility of a short offering period and in order to ensure knowledge of the impending offering, a prospectus summary must be published in an Indonesian newspaper at least three business days before the beginning of the offering period. Pursuant to the terms of the underwriting agreement, the underwriters are required to purchase all of the securities in the offering, notwithstanding the fact that they may not have been able to resell all of them.

F. Ireland

1. Irish securities laws, comprised principally of the Companies Acts 1963–1990 (together, the ''Irish Companies Act''), generally provide for self-regulation, and there is no central agency other than the Irish Stock Exchange having authority over listed companies. The Irish Stock Exchange supervises listed companies in accordance with its rules. In particular, a provision of the Irish Companies Act allows a listed company to issue an invitation to the public to subscribe for shares without following many of the provisions of the Irish Companies Act provided that the invitation is accompanied by a document which has been approved by the Irish Stock Exchange. Typically such a document issued by a listed company will have been scrutinized several times by the Irish Stock Exchange before it is publicly disseminated.

2. If a company is not seeking any form of stock exchange listing or trading facility, the securities laws are entirely self-regulating. However, all issuers also are subject to civil claims and criminal prosecutions, including criminal prosecutions by the Director of Public Prosecutions (akin to the U.S. Attorney General). In addition, issuers whose securities are officially listed on the Irish Stock Exchange are subject to regulation by the exchange and may be the subject of sanctions, such as suspension of trading or de-listing.

3. All securities purchased in Ireland by the International Funds pursuant to the requested order will be purchased in public offerings which are (i) subject to Irish law and listed (or seeking listing) on the Official List of the Irish Stock Exchange,[1] and/or (ii) listed approved for listing on the London Stock Exchange Limited. Securities of Irish issuers listed on the London Stock Exchange Limited are subject to the regulations of such Exchange, which may be in addition to and more stringent than those of the Irish Stock Exchange and the Irish Companies Act.

4. To be listed on the Official List on the Irish Stock Exchange, a company must have capitalization of 700,000 Irish Pounds (approximately US $1,092,555 based on current exchange rates), must have published three years of financial results, and must have at least 25 percent of its shares in public hands, i.e., held by others who are not affiliates of such company. In addition to the above requirements, companies seeking to list on the Irish Stock Exchange must provide the exchange with a formal statement (known as ''listing particulars'') describing the company's business, management, and financial condition.

5. Irish law also requires, with certain exceptions, any invitation to subscribe or purchase shares in a public offering be accompanied by a prospectus meeting the disclosure requirements set forth in the Third Schedule to the Irish Companies Act. Among other things, the Irish Companies Act requires any company conducting a public offering to disclose its dividend record, profits, and losses for the preceding three years. Under the Irish Companies Act, the listing particulars for companies on the Official List are deemed to be a ''prospectus'' and, therefore, the requirement to make a separate Third Schedule disclosure does not apply. The disclosure required under the Irish Stock Exchange rules for a company on the Official List, however, is generally more onerous than that required under the Irish Companies Act.

6. The public offering price is fixed at the time of initial issuance and published in the offering prospectus, and the securities offered to and purchased by affiliates of underwriters as part of a public offering are offered and sold under the same terms as to the general public. With respect to a rights issue, the subscription price is generally fixed and is at a discount to the prevailing market price or at the market price. Applicants are aware of at least one instance when the price was fixed at a premium to the market price. The International Funds, however, will not purchase securities in underwritten offerings at a public offering price that is set at a premium to the current market price.

7. A public offering in Ireland is often underwritten pursuant to an underwriting agreement in which the primary underwriters (as opposed to the sub-underwriters) commit to purchase any of the offered securities that are not taken up by existing shareholders (after a stated subscription period) or by the market generally. Typically, sub-underwriters irrevocably contract with the underwriter to subscribe for a minimum portion of the issue at a fixed price.

8. The number of subscribers participating in a public offering will vary depending on the nature of the existing trading market for an issuer's securities and other circumstances, either related to the status of the issuer or to general economic conditions. The International Funds will only participate in underwritten offerings in which it is likely that the securities will be widely disseminated.

[1] The Irish Stock Exchange is comprised of four markets—the main market or the ''First Market'' or, more commonly, the ''Official List,'' the Unlisted Securities Market, the Exploration Securities Market, and the Small Companies Market.

G. Japan

1. There are eight securities exchanges in Japan and one over-the-counter market. The securities exchanges and the over-the-counter market are regulated by the Minister of Finance (the ''MOF''), and there is strong emphasis on self-regulation. All securities purchased by the International Funds in offerings in Japan pursuant to the requested relief will be admitted for trading or listed, or approved for listing, on one or more of the eight Japanese securities exchanges: the Tokyo Stock Exchange, the Osaka Securities Exchange, the Nagoya Stock Exchange, the Sapporo Stock Exchange, the Ni'igata Stock Exchange, the Kyoto Stock Exchange, the Hiroshima Stock Exchange, and the Fukuoka Stock Exchange.

2. The basic listing requirements are governed by the Securities and Exchange Law of 1948 (the ''Japan Securities and Exchange Law''), while detailed matters such as listing eligibility criteria and reporting procedures are dealt with in the listing regulations of each exchange. A company wishing to list its equity securities on the Tokyo Stock Exchange (the ''TSE'') is required to file an application for listing with the TSE, which is examined by the exchange, placing emphasis on the public interest and investor protection. If the TSE considers a listing of the relevant instrument to be appropriate, it may authorizing listing subject to approval of the MOF. Assuming approval of the MOF is then obtained, the company is required to enter into a listing agreement with the TSE whereby the company agrees that it will abide by the Japan Securities and Exchange Law and the TSE's rules and regulations, including Business Regulations, Listing Regulations, and Regulations for Supervision of Listed Securities.

3. Issuers that intend to make public offerings of securities are required to file with the MOF a registration statement for the securities accompanied by supplemental materials that adequately disclose pertinent information concerning the offering and the issuer. Issuers are required to include financial statements for their last five business periods (ten business periods if the business period is half a year) in their registration statements.

4. A preliminary prospectus corresponding to a ''red herring'' in the United States can be circulated for the purpose of soliciting offers during the period between the initial filing and effective dates so that the public can learn the essential facts relating to a proposed issue. The use of prospectuses that do not meet the statutory requirements is prohibited and a prospectus must be delivered at the time of sale.

5. The nature of the underwriting commitment is determined by contract and may differ from transaction to transaction. In general, however, one of two types of commitments is made, roughly equivalent to firm commitment underwriting and bookbuilding with soft underwriting. Under the first method, the underwriting syndicate buys as principal all of the securities of the issuer and assigns them to its members. If any underwriter or any assignee is unable to place any of the securities which it has purchased, those securities remain in that underwriter's or assignee's inventory. Under the second method, an underwriting syndicate seeks to market the securities, and members of the syndicate must purchase for their own accounts any securities of the issuer which they are unable to place. In either of the two methods, the syndicate is responsible for placing all the securities of the issuer, but it is rare that any securities are not placed because the conditions of issuance are determined in accordance with market conditions.

6. Only licensed securities companies may act as underwriters. A company that intends to issue securities generally enters into an underwriting agreement with a primary managing underwriter which will form a syndicate for the floatation of the securities. The terms and conditions on which the primary managing underwriter is required to purchase any shortfall are a matter for contract between the issuer of the securities and the primary managing underwriter. The relationship between an underwriter and its parent or its subsidiary is regulated by rules known as ''fire-walls.'' In the sphere of underwriting, an underwriter must not (within 6 months of becoming an underwriter) sell underwritten securities to a customer which the underwriter knows has received financing for the purchase from the parent or a subsidiary of the underwriter. In addition, an underwriter is prohibited from selling underwritten securities to its parent or subsidiary within 6 months of becoming an underwriter for such securities.

H. Mexico

1. Securities legislation, Ley del Mercado de Valores (''Securities Market Law''), passed in 1975, contains the regulatory framework for the Mexican securities industry and strengthened the regulatory powers of the Mexican Banking and Securities Commission, or Comisión Nacional Bancaria y de Valores (''CNBV''). The CNBV is responsible in general for monitoring the Mexican securities market and, among other things, regulates the registration and subsequent trading of all new issues of shares, bonds and commercial paper, and other securities, and regulates the activities of brokers and of securities depositories and Mexico's only stock exchange, the Bolsa Mexicana de Valores, S.A. de C.V. (the ''Mexican Stock Exchange''), a private corporation, the shares of which are owned solely by authorized brokers. All securities purchased by the International Funds in offerings in Mexico pursuant to the requested relief will be admitted for trading or listed, or approved for listing, on the Mexican Stock Exchange.

2. In order to offer securities to the public in Mexico, an issuer must meet certain requirements set forth in the Securities Market Law and by the CNBV as to assets, operating history, management, and other matters, and only securities approved by the CNBV may be listed on the Mexican Stock Exchange. In order to obtain and maintain registration to offer securities in the Mexican Stock Exchange, an issuer must file an application for registration with the securities section of the Registro Nacional de Valores e Intermediarios, the National Registry of Securities and Securities Brokers, which is part of the CNBV. The issuer seeking approval must comply, to the satisfaction of the CNBV, among others, with the following requirements: (i) The characteristics of the securities and the terms of the offering are such that the securities will have significant circulation and will cause no dislocation of the market, (ii) the securities possess, or have the potential for, broad circulation in relation to the size of the market or the issuer; and (iii) the issuer is solvent and has liquidity. Although the Securities Market Law does not set any specific quantitative standards regarding the size of the offering, it does require that every public offering be large enough, in the opinion of the CNBV, to assure investors of secondary market liquidity. As a result, securities must be issued in sufficient quantity to be available to a wide group of offerees.

3. Once the offering price for a security is set, it is disclosed in the prospectus and CNBV circulars require the underwriters to offer the securities to the public at that set price. As a result, publicly offered securities are offered to and purchased by the public investors on the same terms. Although

Mexican law does permit, under certain circumstances, securities to be publicly offered at a premium to market price, the situation rarely occurs. The International Funds will not purchase securities in underwritten offerings at a public offering price that is set at a premium to the current market price.

4. In firm commitment public offerings in Mexico, the obligations of the various underwriters are in practice several and not joint, and each underwriter is obligated to purchase shares from the issuer at a fixed price regardless of the marketing results of the underwriting group. The CNBV, however, can object to the price set by the issuer and underwriters.

I. The Philippines

1. Public offerings of securities in the Philippines are conducted in accordance with regulations promulgated by the Securities and Exchange Commission of the Philippines (the ''Philippine SEC'') and rules promulgated by the Philippine Stock Exchange. These rules and regulations are intended to ensure that a wide group of offerees will take part in each offering, that the price offered to each of the offerees is the same, and that the securities will be offered to and purchased by unaffiliated persons on the same terms as the other participants in the offering. In particular, the Philippine Stock Exchange requires an issuer to have at least 500 shareholders (subject to certain modifications), have 400 million pesos (about US $15.3 million at current exchange rates) in authorized capital stock, and 100 million pesos (about US $3.8 million at current exchange rates) in subscribed capital stock, all of which subscribed capital stock must be fully paid-up, before its securities may be listed on the Philippine Stock Exchange. No single stockholder should own or control more than 75% of the subscribed capital stock of the issuer. All securities purchased by the International Funds in offerings in the Philippines pursuant to the requested relief will be admitted for trading or listed, or approved for listing, on the Philippine Stock Exchange—Ayala and/or the Philippine Stock Exchange—Pektite.

2. A company wishing to issue securities to the public is required to file a registration statement with the Philippine SEC setting forth information about the company, its business, and its management. Registration statements must be prepared in accordance with principles of full and fair disclosure. The registration statement (which includes the offering prospectus) is required to contain a provision stating the price at which the security is to be sold. A registration statement becomes effective upon the issuance by the Philippine SEC of an order to that effect. Once such an order is issued, the issuer and the underwriter cannot modify the offering price set forth in the registration statement and prospectus and the securities may only be offered pursuant to the stated terms of the prospectus. Accordingly, any securities issued in connection with a public offering in the Philippines will be offered to unaffiliated persons on the same terms as any other participant in the offering.

3. Public offerings are underwritten by investment houses and commercial banks with expanded commercial banking authority. If the securities to be publicly offered are to be listed on the Philippine Stock Exchange, approximately 50% of the company's subscribed shares (or shares offered to be subscribed through an underwriter) are offered to the public through the Philippine Stock Exchange for distribution to the public. This ensures that each Philippine offering to be listed on the Philippine Stock Exchange is made available publicly to a wide group of offerees.

4. Although underwriting commitments differ from issue to issue in the Philippines, generally all of Philippine public offerings are conducted on a bookbuilding with soft underwriting basis. Under this type of commitment, the issuer is responsible for selling the shares (through the underwriting syndicate), but the lead underwriter or underwriters commit to purchase any unsold shares at the completion of the initial offering period. The Philippine Stock Exchange requires such a commitment by the underwriter as a condition to listing on the Philippine Stock Exchange.

J. South Africa

1. There are three exchanges in South Africa, namely, the Bond Market Exchanges (''BME''), the South African Futures Exchange (''Safex'') and the Johannesburg Stock Exchange (''JSE''). Each is self-regulating within the parameters of the relevant acts. Securities purchased by the International Funds in securities offerings in South Africa pursuant to the requested relief will be admitted for trading or listed, or approved for listing, on the BME or the JSE.

2. There are three possible listings on the JSE: the Main Board, the Development Capital Market (''DCM'') or the Venture Capital Market (''VCM''). The DCM was created in 1984 and designed to encourage the growth of small businesses. Companies listed on the DCM, and particularly the VCM, are subject to less stringent requirements for listing, and accordingly, a higher degree of risk is normally associated with such companies. Once DCM and VCM companies achieve the requirements for a Main Board listing, they may apply for a transfer. Both the DCM and the VCM require a shorter or no profit history, a smaller and narrower distribution of shares to the public, and a lower minimum initial price of shares. The requirements for listing equity securities on the Main Board of the JSE include (i) a minimum subscribed capital, excluding revaluations of assets, of at least R2 million (approximately US $459,242 at current exchange rates) in the form of not less than one million shares in issue; (ii) a satisfactory profit history for the preceding three years, with a current audited level of earnings of at least R1 million (approximately US $229,621 at current exchange rates), before taxation; (iii) 30% of the first million shares (and an agreed percentage of the balance) to be held by the public; (iv) the number of public shareholders to be at least 300; and (v) the minimum initial price of shares to be no less than 100 cents per share. Despite the requirement for a three-year history of trading for a Main Board listing, mining ventures generally go directly to the Main Board upon delivery to the JSE of a satisfactory geological report, evidence of proven reserves, and appropriate undertakings relating to minimum capital structure.

3. The JSE introduced a new rule in July 1995 to promote broader public ownership of shares. It is now a continuing obligation that at least 10% of a company's shares be held by the public (other than institutions) at the time of listing.

4. New equity shares are generally underwritten in South Africa by insurance companies, large pension funds, or merchant banks. Typically, underwriters in public offerings of securities will commit to subscribe for any shares not purchased in the offering. When a public issue is underwritten, the structure and mechanics thereof usually take the following form. The potential issuer will first approach a financial institution such as a merchant bank which will act as agent on behalf of the issuer (the ''Agent''). The Agent itself may arrange for the underwriting of the issue in total or in part. Pursuant to an underwriting agreement, the primary underwriters will be obligated to purchase at a fixed price all of the securities being offered and which are not taken up by others under the offering. A broker is usually engaged to arrange for the sub-underwriting

of the primary underwriting. Typically, the sub-underwriters will irrevocably subscribe for a minimum portion of the issue at a fixed price. The primary underwriters and sub-underwriters commitments will be subject to certain conditions precedent typically related to the delivery by the issuer of appropriate offering documents, the admission of the securities to listing on the JSE (if the issuer is a listed company), and the compliance by the issuer with The South Africa Companies Act, 1973 provisions relating to offering prospectuses. The primary underwriters fully assume risk of the Agent of finding sufficient sub-underwriters for the securities underwritten. As compensation, the primary underwriters and sub-underwriters receive a fee which is defined as a percentage of the offering price to the public of the securities purchased thereby. The Agent will also receive a fee directly from the issuer. Such ''firm commitment'' underwriting is the most common structure used by companies listed on the JSE.

K. Sweden

1. To qualify for a listing on the Swedish Stock Exchange's (''SSE's'') ''A'' list (comprising the officially listed companies), a company must (i) have at least 3 years of audited financial statements; (ii) meet the SSE's requirements concerning financial stability, organization and dissemination of information; (iii) must publish an SSE listing prospectus; and (iv) at least 25% of the share capital and no less than 10% of the voting power must be distributed in the market among no fewer than 1,000 investors, each with a holding the market value of which is half a base amount (equivalent to approximately SEK 17,850 or US $2,644 at current exchange rates).

2. The SSE also provides an over-the-counter quotation facility for unlisted securities known as the ''OTC'' or ''O'' list. To qualify for quotation on O lists, a company must (i) publish a listing prospectus; (ii) have a share capital of at least SEK 2 million (approximately US $296,222 at current exchange rates) and total equity of at least SEK 4 million (approximately US $592,443 at current exchange rates); and (iii) at least 10% of the share capital must be distributed to the market among no less than 300 investors, each with a holding of at least one quarter of a base amount in market value but not exceeding 10% of the total equity.

3. The Swedish Companies Act (1975:1385) (the ''Swedish Companies Act'') requires that companies which publicly offer or otherwise invite a substantial number of persons to acquire shares of subscription rights in the company must prepare a prospectus, if the sum total of the amounts payable under the offer amounts to SEK 300,000 (approximately US $44,443 at current exchange rates) or more. In addition, the contents of prospectuses are subject to recommendations of the Swedish Industry and Commerce Stock Exchange Committee and to detailed regulations issued by the Financial Supervisory Authority.

4. Under the Swedish Companies Act, a prospectus must contain, among other things, the balance sheets, the income statements, and a summary of the management reports for the last three financial years for which annual reports and auditor's reports have been rendered; a description of the company's and any group's operations, supply or raw materials, products, and places of business as well as its position in the industry; and a description of the distribution of ownership of shares and voting power in the company.

5. In general, securities of Swedish companies have historically traded immediately after their public offering at substantial premiums over the initial offering price. One consequence of this pattern is that offerings for such securities are typically oversubscribed during a ''red herring'' offering phase. As a result, the practice in Sweden is that underwriting commitments are not firm since all of the securities offered will have been already placed. Applicants have no reason to believe that securities of companies in Sweden will not in the future trade at a premium over the initial offering price. In addition, offerings in Sweden that are not oversubscribed are rare, and applicants have no reason to believe that oversubscribed securities offerings will not continue in the future.

L. Taiwan

1. All securities purchased by the International Funds in offerings in Taiwan pursuant to the requested relief will be admitted for trading or listed, or approved for listing, on the Taiwan Stock Exchange (the ''TSE'') and/or the Republic of China OTC Securities Exchange.

2. Securities traded on the TSE are divided into three categories: ''A'', ''B'' and ''C'', depending on years of establishment of the issuer, capital, profitability and the extent of share distribution. To meet Category A listing criteria, a company must, among other things, have minimum paid-up share capital of at least TWD 600 million (approximately US $22,081,555 at current exchange rates) for the two most recent fiscal years, and have at least 2,000 registered shareholders of which more than 1,000 hold 1,000 to 50,000 shares and the total holdings of such shareholders is more than 20% of the total issued and outstanding shares of 10,000,000 shares. To meet Category B listing criteria, a company must, among other things, have minimum paid-up share capital of at least TWD 300 million (approximately US $11,040,777 at current exchange rates) for the two most recent fiscal years, and have at least 1,000 registered shareholders of which more than 500 hold 1,000 to 50,000 shares and the total holdings of such shareholders is more than 20% of the total issued and outstanding shares or 10,000,000 shares. To meet Category C listing criteria, a company must, among other things, obtain classification from the relevant central competent authority as a ''qualified science technology company,'' and have paid-up share capital of at least TWD 200 million (approximately US $7,360,518 at current exchange rates).

3. The Taiwan Securities and Exchange Commission (the ''Taiwan SEC'') supervises and controls all aspects of securities market operations. In general, listed companies are required to submit to the Taiwan SEC a prospectus in a standard format prescribed by the Taiwan SEC on commencement of an initial public offering and upon an increase of capital stock. The International Funds will not purchase securities in public offerings in Taiwan unless a prospectus relating to such securities is available. A prospectus must include, among other information, company history, organization, business scope and facilities available, capital structure and share-distribution, records of corporate bond issues, plans and business prospects, and audited financial statements for the five most recent years.

4. All listed companies on the TSE must enter into a listing agreement with the TSE, which is a standard form agreement adopted by the TSE and approved by the Taiwan SEC. Listed companies are required to report promptly any material events which may affect the business or affairs of the company, such as a corporate reorganization. In addition,the Taiwan SEC may require issuers to make financial and business reports at any time after the public issuance of securities, and the Taiwan SEC may, if deemed necessary, conduct direct investigations on the issuers' financial or business conditions.

5. Underwriting can be done by securities companies, banks, and trust and investment companies that have obtained an underwriter license from the Taiwan SEC. Because of the recently implemented rules, underwriting can be conducted only on firm commitment basis.[2] The underwriter and issuer must enter into an underwriting agreement which sets forth, among other things, the underwriting period, the number of securities to be underwritten and their price, and the underwriting fees and disbursements. The underwriter must ensure that the prospectus prepared in accordance with the regulations of the Taiwan SEC be delivered to each subscriber. The subscription price may not be changed during the underwriting period, and the subscription price must be paid in full in one lump sum payment. Upon expiration of the underwriting period, the underwriter must report to the Taiwan SEC the status of the underwriting, including the number of securities which have been sold in the underwriting period and the number of securities which have been acquired by the underwriter, if any.

M. Thailand

1. The Stock Exchange of Thailand (''SET'') is the only official stock exchange in Thailand. Shares which are not listed on the SET are sometimes traded on the informal over-the-counter (''OTC'') market (the ''Bangkok Stock Dealing Centre''). Currently, the Bangkok Stock Dealing Center is principally used for the trading of unlisted shares which are expected to be quoted on the SET in the near future. All securities purchased by the International Funds in offerings in Thailand pursuant to the requested relief will be admitted for trading or listed, or approved for listing, on the SET and/or the Bangkok Stock Dealing Center.

2. The Thailand SEC is charged with formulating policies to promote and develop, as well as to supervise, matters concerning securities, securities businesses, the securities exchange, OTC centers and related businesses, organizations related to the securities business, the issue or offer of securities for sale to the public, acquisition of securities for business takeovers, and prevention of unfair securities trading practices. Under The Securities and Exchange Act B.E. 2535 (A.D. 1992) (the ''SEC Act''), a public offering of newly issued securities is permitted only when the issuer has received approval from the Thailand SEC to make the offering and a registration statement in the prescribed form, together with a draft prospectus, has become effective. Upon effectiveness, sales activities and distribution of the prospectus may begin. Sales activities must be completed within six months. In addition, the issuer must meet qualitative standards under Thailand SEC regulations.

3. While primary responsibility for the regulation of new securities issues has shifted to the Thailand SEC, the SET continues to operate the stock exchange as an exchange authorized under the SEC Act and is responsible for listing approvals, once the SEC public offering approval, prospectus, and related requirements have been met and the paid-up capital reflecting the shares offered in the relevant offering has been registered with the Ministry of Commerce. The SET is responsible, among other things, for processing all listing applications, for ensuring that disclosure requirements for listed companies are met and for monitoring all trading activities in respect of listed securities.

4. The SEC Act provides for only one category of securities to be listed and traded on the SET (''listed securities''). Under the regulations promulgated by the SET, existing publicly traded securities must be converted into listed securities and listed companies must comply with the listing requirements within three to five years, depending on the nature and locality of such company. Under the current SET listing regulations, the applicant must have a main business which is economically and socially beneficial to the country. Approval for listing of shares is granted after the public offering thereof is approved by the Thailand SEC and the shares are distributed to a specified number of small shareholders. The applicant must also be able to show that its business operations are sound and consistent with the nature and type of business, and that it is in a stable and healthy financial condition with sufficient working capital. The business of the applicant must have operated continuously under substantially the same management for not less than three years prior to the submission of the listing application. The applicant must also have the net profit after tax of Baht 50,000,000 (approximately US $1,981,493 at current exchange rates) is aggregate for the last three years prior to the submission of the listing application.

5. Underwriting of securities may be conducted either on a firm commitment or best efforts basis. In practice, however, substantially all underwritings are done on a firm commitment basis. Under the Thailand SEC notification, issuers of shares shall arrange for the securities underwriter to underwrite all shares of the issue. Generally, one or more securities underwriters will enter into an underwriting agreement with an issuer to underwrite the securities issue on a several basis. In rare cases, securities may be underwritten on a non-several (or joint) basis. Applicants submit that a firm commitment underwriting conducted on such a basis is still a firm commitment underwriting for purposes of rule 10f–3(a)(3), the only difference being that an underwriter may be liable for the entire amount of the offering, not just its own share.

Applicants' Legal Analysis

1. Section 10(f) of the Act prohibits a registered investment company from purchasing securities from an underwriting syndicate if, as relevant here, the investment company's investment adviser is an affiliated person of a principal underwriter in the syndicate.

2. Section 2(a)(3) of the Act defines the term ''affiliated person'' to include, among other things, any entity directly or indirectly controlling, controlled by, or under common control with another entity. Section 2(a)(9) of the Act generally defines the term ''control'' to mean the power to exercise a controlling influence over the management or policies of a company. Section 2(a)(9) further provides that any person who owns beneficially, either directly or through one or more controlled companies, more than 25 percent of the voting securities of a company shall be presumed to control the company. Based on the complex ownership structure of the various direct and indirect subsidiaries of Fleming Holdings which may participate as principal underwriters in international underwritings, each such subsidiary is or may be deemed to be controlled by or under common control with Fleming Holdings for purposes of section 2(a)(3). Price-Fleming also may be deemed to be controlled by Fleming Holdings for purposes of section 2(a)(3) of the Act. As a result, the entities that make up the Affiliated Syndicate and Price-Fleming

[2] Article 76 of the Securities and Exchange Law of Taiwan (the ''SEL'') provides that underwriters may choose to conduct underwritings on either a firm commitment or best efforts basis. Pursuant to its rulemaking authority, the Taiwan SEC has promulgated a rule which provides that underwriters can only offer securities to the public through firm commitment underwritings. The inconsistency between the SEL and the recently adopted rules will be resolved when the Taiwan legislature amends the SEL to limit public underwritings to firm commitment underwritings. The amendment is expected to be passed in the near future. In practice, the result has already been obtained since underwritings are conducted only on a firm commitment basis.

may be deemed to be under the common control of Fleming Holdings, making the Affiliated Syndicate entities and Price-Fleming affiliated persons of each other. Thus, the International Funds, which are advised or sub-advised by Price-Fleming, are prohibited from purchasing securities from any underwriting syndicate in which one or more of the entities in the Affiliated Syndicate participates as principal underwriter.[3]

3. Notwithstanding the section 10(f) prohibition, the section provides that the SEC may exempt conditionally or unconditionally any transaction or classes of transactions from any of the provisions of section 10(f) if and to the extent that the exemption is consistent with the protection of investors. Applicants believe that the granting of the requested exemption is consistent with the protection of investors.

4. Rule 10f–3 under the Act provides that purchases of securities by a registered investment company otherwise prohibited by section 10(f) are exempt from such section if certain specified conditions are met. Applicants represent that purchases of foreign securities which would not be permitted but for the requested relief will be made in accordance with all the terms of rule 10f–3, except paragraph (a)(1) of the rule.

5. Applicants state that the Securities Act registration requirement set forth in rule 10f–3 was imposed to ensure that investment companies purchased marketable securities, at the public offering price (which ordinarily would not exist absent registration), that the securities were issued more or less in the ordinary course of business, and that adequate disclosure is made with respect to the securities to be purchased. Applicants believe that the effect of the exemption sought is to substitute for the Securities Act registration requirement (i) a condition requiring that the securities at issue be purchased in public offerings conducted in accordance with the laws of the Countries, (ii) a condition requiring that the securities at issue will be either (a) admitted for trading on one or more of the official stock exchange(s) or regulated unlisted market(s) in the relevant Country, or (b) approved for admission to one or more of the relevant Country's official exchange(s) or regulated unlisted market(s), but not yet admitted or listed, and (iii) a condition requiring that an issuer's audited financial statements for two years prior to the offering will be available to prospective purchasers. Applicants believe that the availability of such financial statements, as well as other disclosure provided by issuers in accordance with the various securities laws of each Country (including listing or admission requirements), would provide Price-Fleming with sufficient information to make informed decisions on behalf of the International Funds. The audited financial statements, together with the public offering and listing (or admission) requirements, also would provide some assurance that the securities being purchased are issued more or less in the ''ordinary course'' of business. Similarly, the financial statements and public offering and listing (or admission) requirements assure investors that the securities being purchased are issued in compliance with regulatory requirements substantially similar to those imposed by United States securities laws.

6. Applicants represent that the International Funds will only participate in underwritings in Countries in which (i) it is likely that a wide group of offerees will participate; (ii) the price offered to such offerees will consist of a single price (except for any discounted price offered to certain specified groups within a particular locality or jurisdiction (i.e., employees of the issuer or the government, citizens of the issuer's home country)); and (iii) the securities will be offered to and purchased by unaffiliated persons on the same terms as other participants in the offerings. Moreover, applicants represent that the International Funds will not purchase securities in underwritten offerings in which the public offering price is set at a premium to the current market price.[4] Applicants believe that the foregoing limitations will further address the SEC's concern that securities purchased by the International Funds will be purchased at the public offering price and more or less in the ordinary course of business.

7. Applicants represent that they will comply with the firm commitment underwriting requirement of paragraph (a)(3) of rule 10f–3. Accordingly, the types of underwritings in which the International Funds will be permitted to invest will be firm commitment underwritings and certain other types of underwriting arrangements specific to a particular Country, the practical realities of which effectively satisfy the firm commitment underwriting requirement.

8. The typical underwriting arrangements involved in securities underwritings in India, Indonesia, Mexico, South Africa, and Taiwan, as well as all underwriting commitments in Japan other than bookbuilding with soft underwriting, are firm commitment. Underwriting arrangements in Brazil and Thailand may be either firm commitment or a variation of best efforts underwritings; however, applicants are seeking relief with respect to participation in underwritings in Brazil and Thailand only to the extent necessary to purchase securities that are the subject of firm commitment underwritings.

9. The public offerings in Australia, France, Ireland and the Philippines, as well as certain public offerings in Japan, are underwritten using ''bookbuilding with soft underwriting'' or ''standby firm commitment underwriting,'' which is a form of underwriting in which the underwriter makes a firm commitment to purchase or procure purchasers for any portion of the offered securities that remains unsold to the public after a stated subscription period. Applicants believe that the practical realities of bookbuilding with soft underwriting as conducted in the securities markets of Australia, France, Ireland, the Philippines, and Japan effectively satisfy the firm commitment underwriting requirement of paragraph (a)(3) of rule 10f–3 since the primary underwriters are contractually committed, on a firm basis, to purchase all the securities being offered, and this obligation is reduced only to the extent that the securities which the primary underwriters are required to purchase pursuant to the underwriting agreement are actually sold to others.

10. In Sweden, there is no mechanism by which underwriters bind themselves to purchase all of the securities offered as in a firm commitment underwriting in the United States. In practice, however, underwritings in Sweden are not undertaken unless all of the offered securities are placed. Typically, offerings of securities of companies

[3] T. Rowe Price, rather than by Price-Fleming, advises certain funds in the T. Rowe Price group of funds (the ''Domestic Funds''). T. Rowe Price is an affiliated person of Price-Fleming and, in turn, is or may be deemed to be an affiliated person of an affiliated person of each of the Affiliated Syndicate entities (a ''second-tier affiliate''). Accordingly, purchases of securities by the Domestic Funds during the existence of an underwriting syndicate in which one or more of the Affiliated Syndicate entities serves as principal underwriter are not prohibited by section 10(f), and, therefore, relief is not requested herein in connection with such transactions.

[4] As noted above, securities in foreign underwritings may be offered at a discount to certain specified groups within a particular locality or jurisdiction. The International Funds typically would not be eligible to purchase securities at the discounted price. As a result, the Funds would purchase securities in the offering at a separate fixed public offering price which is higher than the discounted price but which does not constitute a premium.

based in Sweden are oversubscribed. Applicants state that with respect to oversold offerings, a reasonable inference may be drawn that the underwriter is unlikely to have any improper incentive to cause an affiliated company to purchase the securities that are the subject of such offerings.[5] Applicants submit that the practical realities of oversold offerings in Sweden effectively satisfy the firm commitment requirement of paragraph (a)(3) of rule 10f–3.

11. Applicants represent that the board of each International Fund will adopt internal procedures which are reasonably designed to provide that the conditions of the requested order are complied with with respect to the purchase of securities subject to section 10(f). In addition, the boards will determine, at least quarterly, that all purchases made during the preceding quarter were made in compliance with such procedures and will approve such changes to the procedures as such boards deem necessary.

12. Applicants believe that the representations and conditions of the requested order are at least as protective of the interests of investors in the International Funds as are the provisions of paragraph (a)(1) of Rule 10f–3 which require Securities Act registration. Furthermore, applicants believe that the representations and conditions will act to ensure that purchases of foreign securities by the International Funds through the Affiliated Syndicate are made in a manner consistent with the underlying policies of section 10(f) and rule 10f–3.

Applicants' Conditions

Applicants agree that any order granting the requested exemptive relief will be subject to the following conditions:

1. Applicants will comply with rule 10f–3, except for paragraph (a)(1).

2. All foreign securities purchased under circumstances otherwise subject to section 10(f) will be purchased in public offerings conducted in accordance with the applicable laws of the relevant Country and with the rules and regulations of the stock exchanges and regulated unlisted market(s), if any, in such Country, as applicable.

3. All foreign securities purchased under circumstances otherwise subject to section 10(f) will be either (i) admitted for trading on one or more of the official stock exchange(s) or regulated unlisted market(s) in the relevant Country, or (ii) approved for admission to one or more of the relevant Country's official exchange(s) or regulated unlisted market(s) but not yet admitted or listed.

4. All subject foreign issuers will make available to prospective purchasers financial statements, audited in accordance with the accounting standards of the relevant Country, for at least the two years prior to purchase.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Jonathan G. Katz,

Secretary.

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BILLING CODE 8010–01–M

[5] *See Investment Company Acquisition of Securities Underwritten by an Affiliate of that Company*, Investment Company Act Release No. 14924 (Jan. 29, 1986).

[Release No. 34–37398; File No. SR–Phlx–96–19]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc., To Establish a Firm Facilitation Exemption

July 2, 1996.

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 June 3, 1996, the Philadelphia Stock Exchange, Inc. (''Phlx'' 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 self-regulatory organization. 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 Phlx is proposing to adopt a firm facilitation exemption from position and exercise limits applicable to both index and equity options for up to two times above the existing limits.

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 self-regulatory organization 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. The self-regulatory organization has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

1. Purpose

The Phlx is proposing to establish a firm facilitation exemption[3] for all non-multiply-listed Exchange options by adding new Commentary .08 to Exchange Rule 1001 and new Commentary .02 to Exchange Rule 1001A.[4] The exemption would be available to equity and index options, including customized options.[5]

Under the proposal, the procedures in Exchange Rule 1064(b) for crossing a customer order with a firm facilitation order must be followed. Moreover, only after all market participants in the trading crowd have been given a reasonable opportunity to accept the terms, may the representing Floor Broker cross all or any remaining part of such order in accordance with the rule. According to the Phlx, the purpose of this procedure is to ensure that the trading crowd cannot first facilitate the order before resorting to a position limit exemption for the facilitating firm. Thus, only after it is determined that the trading crowd will not fill the order may the firm's customer order be crossed with the firm's facilitation order pursuant to the exemption.

The Phlx notes that the firm facilitation provision will be in addition to and separate from the standard limit, as well as other exemptions available under Exchange position limit rules. For example, if a member organization decides to facilitate customer orders in ABC options, which is assumed not to be multiply-listed and also assumed to have a 10,500 contract standard position limit, the member organization may qualify for a firm facilitation exemption of up to twice that limit (21,000 contracts), as well as an equity hedge

[1] 15 U.S.C. 78s(b)(1) (1988).

[2] 17 CFR 240.19b–4.

[3] The Commission notes that a facilitation trade is defined as a transaction that involves crossing an order of a member firm's public customer with an order for the member firm's proprietary account.

[4] The Exchange notes that its rule filing is similar to proposals which the Commission has recently approved for other options exchanges. *See* Securities Exchange Act Release Nos. 36964 (March 13, 1996), 61 FR 11453 (March 20, 1996) (File No. SR–CBOE–95–68); 37178 (May 8, 1996), 61 FR 24523 (May 15, 1996) (File No. SR–PSE–96–10); 37179 (May 8, 1996), 61 FR 24520 (May 15, 1996) (File No. SR–Amex–96–11).

[5] *See* Securities Exchange Act Release No. 37048 (March 29, 1996), 61 FR 15549 (April 8, 1996) (File No. SR–Phlx–96–08).