

Pool Procedures¹⁰) to make them consistent with the proposed rule changes described above.

Effectiveness of Rule Change

This proposed rule change will become effective 30 days from the date of its approval by the Commission. The purpose of this 30 day time period is to provide the Exchange with an opportunity to notify the Exchange's membership of the effectiveness of this rule change and to provide those members who desire to grant or receive Authorizations to Sell with an opportunity to do so before the amended rule provisions take effect.

2. Statutory Basis

The proposed rule change will codify in the Exchange's membership rules various procedures that have been implemented over time pursuant to the Exchange's current membership rules, will clarify, restate, and reorganize certain of the Exchange's membership rules to make it easier for the Exchange's membership to reference and understand those provisions, and will incorporate into the Exchange's membership rules various proposed improvements and enhancements to those rules. Accordingly, the Exchange believes that the proposed rule change is consistent with and furthers the objectives of Section 6(b)(5) of the Act¹¹ in that it is designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts and practices, and to protect investors and the public interest.

B. Self-Regulatory Organization's Statement on Burden on Competition

The Exchange does not believe that the proposed rule change will impose any burden on competition.

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

No written comments were solicited or received with respect to the proposed rule change.

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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or

(ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve the proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-CBOE-99-15 and should be submitted by December 9, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹²

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42127; File No. SR-EMCC-99-10]

Self-Regulatory Organizations; Emerging Markets Clearing Corporation; Order Granting Accelerated Approval of a Proposed Rule Change Relating to the Requirements for a Class I, II, or III Director

November 10, 1999.

On September 24, 1999, the Emerging Markets Clearing Corporation ("EMCC") filed with the Securities and Exchange Commission ("Commission") a proposed rule change (File No. SR-

EMCC-99-10) 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 October 22, 1999.² No comment letters were received. For the reasons discussed below, the Commission is granting accelerated approval of the proposed rule change.

I. Description

The rule change amends Article II, Section 2.2 of EMCC's by-laws to postpone until the year 2000 annual shareholders meeting the requirement that individuals elected to Class I, II, or III directorships must be an officer or partner of a shareholder or of an affiliate or subsidiary of a shareholder. Similarly, the rule change amends Section 1(A) of EMCC's amended and restated shareholder agreement to postpone until the year 2000 annual shareholders meeting the requirement that directors elected to these classes must be an officer or partner of a "participant shareholder" (*i.e.*, a shareholder that is also an EMCC participant) or of an affiliate of a participant shareholder. EMCC's previous rules would have implemented these provisions at the 1999 annual shareholders meeting.³

The rule change also amends the amended and restated shareholders agreement's definition of "participant shareholder" to mean a shareholder that holds one or more Class A Subject shares and is also a participant or an affiliate of a participant. Previously, a "participant shareholder" was defined as a shareholder that holds one or more Class A Subject shares.

II. Discussion

Section 17A(b)(3)(C) of the Act⁴ requires that the rules of a clearing agency assure fair representation of its shareholders in the selection and administration of its affairs. For the reasons set forth below, the Commission believes that EMCC's rule change is consistent with its obligations under the Act.

EMCC's membership is not yet as large as its management had anticipated it would be at this time, and there are a number of shareholders and other

¹ 15 U.S.C. 78s(b)(1).

² Securities Exchange Act Release No. 42016 (October 15, 1999), 64 FR 57169.

³ These amendments will allow EMCC to maintain the status quo with respect to the eligibility requirements for directors. For a description of EMCC's current rules and procedures governing EMCC's board of directors, see Securities Exchange Act Release No. 39661, International Series Release No. 1117 (February 13, 1998), 63 FR 8711.

⁴ 15 U.S.C. 78q-1(b)(3)(C).

¹⁰ See Amendment No. 2, *supra* note 4.

¹¹ 15 U.S.C. 78f(b)(5).

¹² 17 CFR 200.30-(a)(12).

industry participants who have not yet completed the membership process or have not yet acquired EMCC shares. The Commission believes that it is important for EMCC to maintain the current broad-based representation of industry participants on its board of directors while it continues to expand its participants base. If EMCC were to restrict its board membership to officers or partners of shareholders or of affiliates or subsidiaries of shareholders, EMCC could possibly have to replace current board members with representatives from shareholders already represented on the board. The rule change allows EMCC to maintain its current board membership, comprised of participants, shareholders, and founding contributors, which provides for a broad cross-section of the emerging markets community while providing EMCC with an additional year to continue to broaden its participant base.

When EMCC was originally organized, it was expected that an entity that became a shareholder would also be the participant. However, EMCC participants have indicated that they may prefer that the shareholder and the participant be affiliated but different entities. The Commission believes that amending the definition of "participant shareholder" to include an affiliate of a participant will provide EMCC's participants with additional flexibility without adversely affecting EMCC's operations or its participants' ability to be represented on the EMCC Board.

EMCC 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 so approving the proposed rule change prior to the thirtieth day after the date of publication of notice of the filing because accelerated approval will allow the amendments to take effect in time for EMCC's 1999 shareholders meeting. Furthermore, the Commission has not received any comment letters and does not expect to receive any comment letters on the proposal.

III. 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 Section 17A 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-EMCC-99-10) be and hereby is approved on an accelerated basis.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42122; File No. SR-Phlx-99-34]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. To Amend Registration Fees for Registered Representatives

November 10, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder² notice is hereby given that on August 26, 1999, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. On October 25, 1999, the Phlx submitted to the Commission Amendment No. 1 to the proposed rule change.³ 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 proposes to amend its fee schedule for Registered Representative registration. Specifically, the initial, maintenance, and transfer registration fees pertaining to Registered Representative registration will each be increased to \$25.00, effective January 1, 2000. The text of the proposed rule change is available at the Phlx and at the Commission.

⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Letter from Jurij Trypupenko, Counsel, Phlx to Sharon Lawrence, Senior Special Counsel, Division of Market Registration ("Division"), Commission, dated October 21, 1999 ("Amendment No. 1"). Amendment No. 1 clarifies the purpose for the increase in fees, the date on which the proposed fee increase will take effect, and the NASD's role in billing and collecting the fees for the Exchange. Because Amendment No. 1 is substantive, the Commission deems the date of the filing to be October 25, 1999, the date of the amendment was filed with the Commission.

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 Phlx 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 Phlx 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 Exchange proposes to increase its fees for the initial registration, maintenance, and transfer of Registered Registrations with the Exchange from \$12.00 to \$25.00. These fees, which were adopted in 1993,⁴ and subsequently adjusted in 1995⁵ and 1997,⁶ are payable by member organizations that apply for, maintain, and transfer Registered Representative registrations. The proposed fee increase would become effective January 1, 2000, and would apply to Registered Representative fees incurred on or after that date. Therefore, any initial registration filed in 1999 would be subject to the current \$12.00 initial registration fee. Similarly, any maintenance or transfer fees incurred in 1999 would be subject to the current \$12.00 maintenance or transfer fee. The National Association of Securities Dealers, Inc. ("NASD") will bill for the year 2000 fees in November 1999 and, thereafter, will collect the fees for the Exchange.⁷

The purpose of the proposed rule change is to address increased costs associated with maintaining surveillance and regulatory programs in a sophisticated trading environment. The Exchange continues to believe that strong surveillance and regulatory

⁴ Securities Exchange Act Release No. 32833 (September 14, 1993), 58 FR 48922 (September 20, 1993).

⁵ Securities Exchange Act Release No. 36348 (October 6, 1995), 60 FR 53450 (October 13, 1995).

⁶ Securities Exchange Act Release No. 39044 (September 10, 1997), 62 FR 48914 (September 17, 1997).

⁷ The Exchange represents that initial, transfer, and maintenance Registered Representatives fees have traditionally been billed and collected by the NASD. The NASD would continue to bill for and collect these fees under the proposed rule change. Phone message from Jurij Trypupenko, Counsel, Phlx, to Melinda Diller, Law Clerk, Division, Commission, on October 28, 1999.