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

CHX does not believe that the proposed rule change will impose any inappropriate burden on competition.

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

Written comments were neither solicited nor received.

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

Within 35 days of the 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 proposal is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the 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 at the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the CHX.

All submissions should refer to File No. SR–CHX–98–27 and should be submitted by January 5, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[13]

[13] 17 CFR 200.30–3(a)(12).

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 40762, File No. SR–DTC–98–20]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Institutional Delivery System

December 8, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on October 1, 1998, The Depository Trust Company (''DTC'') filed with the Securities and Exchange Commission (''Commission'') and on November 12, 1998, amended the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by DTC. The Commission is publishing this notice to solicit comments from interested persons on the proposed rule change.

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

The proposed rule change modifies the Advice of Correction/Cancellation function in DTC's Institutional Delivery system.

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

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

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

Current, DTC's Institutional Delivery (''ID'') system allows a broker-dealer to submit requests to cancel incorrect confirmations through its Advice of Correction/Cancellation function (''AOCC'').[3] In cases where the confirmation is not yet affirmed, DTC eliminates the confirmation from the ID system processing and distributes a cancellation message to all parties receiving the original confirmation. In cases where the confirmation has been affirmed, DTC does not immediately eliminate the confirmation from the ID system but instead distributes an ''attempt to cancel'' message on behalf of the broker to alert parties that the trade should not be settled. If no action is taken by S+21, the system automatically eliminates the confirmation.

The purpose of the proposed rule change is to modify DTC's AOCC function by allowing the affirming party to reverse an affirmed confirmation so that the confirmation would not be eligible for any further action other than an outright cancellation by the broker-dealer. By permitting a reversal, confirmations will be eliminated in a more timely manner thereby fostering greater certainty of trade information available on the ID system. The reversal action, which may be the response to an attempt to cancel by the broker-dealer or may be initiated by the affirming party, will be permitted up to 10:00 a.m. on the business day before the settlement date (S–1). Once a reversal action is executed, the trade will be deleted from the ID system, and subsequent reaffirmation of the reversed ID confirmation will not be permitted. In keeping with existing AOCC function procedures, the ID system will provide notification to all parties upon the systems's receipt of an AOCC that authorizes a reversal of an affirmed confirmation.

DTC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act[4] and the rules and regulations thereunder because it promotes efficiencies in the clearance and settlement of transactions in securities by facilitating the cancellation of

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

[2] The Commission has modified the text of the summaries prepared by DTC.

[3] The ID system's AOCC function is one of three electronic mail features that enables an institution or its agent which has received a confirmation through the ID system to notify the broker of the reason(s) why the institution disagrees with the confirmation. This communication allows the broker-dealer to resolve the discrepancies between its records of the trade and the institution's records. *See* Securities Exchange Act Release No. 33466 (January 1994), 59 FR 3139 [File No. SR–DTC–93–07] (order approving rule changes relating to enhancements to DTC's ID system); 36050 (August 2, 1995), 60 FR 41139, [File No. SR–DTC–95–10] (order approving rule changes relating to modifications of the AOCC feature and Authorization/Exception processing in DTC's ID system).

[4] 15 U.S.C. 78q–1

affirmed confirmations which should not be settled and allows the records of trades to reflect the transactions more accurately.

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

DTC does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

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

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii) [5] of the Act and pursuant to Rule 19b–4(e)(4) [6] promulgated thereunder because the proposal effects a change in an existing service of a registered clearing agency that does not adversely affect the safeguarding of securities or funds in the custody or control of the clearing agency or for which it is responsible and does not significantly affect the respective rights or obligations of DTC or persons using the service. At any time within sixty days of the filing of such rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Copies of the submission, all subsequent amendments, all written statements 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 Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of DTC. All submissions should refer to File No. SR–DTC–98–20 and should be submitted by January 3, 1999.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[7]

Margaret H. McFarland,

Deputy Secretary.

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[5] 15 U.S.C. 78s(b)(3)(A)(iii).

[6] 17 CFR 240.19b–4(e)(4).

[7] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–40750; File No. SR–Phlx–98–54]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval to Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Instituting a One-Year Pilot Program to Return Phlx Dell Options to Trading on the Phlx Options Trading Floor Using Amex Technology

December 4, 1998.

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 December 2, 1998, 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 and II below, which Items have been prepared by the Exchange. On December 4, 1998, the Exchange submitted 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 and to grant accelerated approval to the proposal.

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

[2] 17 CFR 240.19b–4.

[3] *See* letter from Edith Hallahan, Deputy General Counsel, Phlx, to Michael Walinskas, Deputy Associate Director, Commission, dated December 3, 1998 (''Amendment No. 1''). In Amendment No. 1, the Exchange proposes Commentaries to Phlx Rules 1051–1055 to accommodate the use of Amex technology to trade Phlx Dell options. The remaining substance of Amendment No. 1 is incorporated into this notice and order granting accelerated approval.

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

The Phlx proposes to institute a one-year pilot program to return Phlx Dell options to the Phlx trading floor from the American Stock Exchange, L.L.C. (''Amex'') trading floor using Amex technology on or about December 7, 1998. Amex technology would be used to enter, execute and process transactions on the Phlx trading floor in Phlx Dell options. Despite the use of Amex technology, the Phlx will continue to be responsible for surveillance of Phlx Dell options and Phlx transaction charges will continue to apply. Phlx rules will also continue to apply, except as outlined below.

The Exchange notes that operational functions respecting these options will be handled by Amex systems, including quotation processing, booking orders, transaction processing, trade correction, and submission to clearing through The Options Clearing Corporation (''OCC'').

The Exchange has re-addressed the application of certain Phlx rules that are impacted by Amex technology, determining that the following Phlx rules, as discussed below, would not apply or would require modification or interpretation: 1051, 1052, 1053, 1054, 1055, and 1080.

The text of the proposed rule change is available at the Office of the Secretary, Phlx and at 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 Exchange 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 III below. The Exchange 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 purpose of the proposed rule change is to trade Phlx Dell options on the Phlx trading floor using Amex technology on a pilot basis for one-year. In addition, the Phlx proposes the ability to switch back from Amex to Phlx technology, with certain notification.