amendment increases the maximum aggregate offering price of the securities offered, but does not increase the number of securities.

NASD Regulation is proposing to amend Section 6(b) of Schedule A to impose an additional fee for amendments only when there is an increase in the maximum aggregate offering price or other applicable value of all securities included on the offering document. Thus, an additional filing fee would be imposed in the amount of .01% of the net increase in the maximum aggregate offering price or other applicable value of all securities registered on an SEC registration statement or included on any other type of offering document, with a maximum of $30,500 charged for any offering. However, no refund will be made as a result of a net decrease in the maximum aggregate offering price or other applicable value.

The proposed change to Section 6(b) of Schedule A clarifies that NASD Regulation recognizes that there can be a net increase in the maximum aggregate offering price or other applicable value of an offering registered with the SEC through an amendment to the registration statement or through ''any other change.'' The language also treats as an amendment a net increase in the maximum aggregate offering price or other applicable value that is reflected on an SEC Rule 430A prospectus [5] or filed in a related registration statement pursuant to SEC Rule 462(b).[6]

SEC Rule 457—Section 6(c) of Schedule A requires that Corporate Financing filing fees be computed according to SEC Rule 457, to the extent that SEC Rule 457 is not inconsistent with Section 6 of Schedule A. Originally, the Corporate Financing filing fee rule referenced SEC Rule 457 in order to calculate the Corporate Financing file fees in certain situations. The amendments proposed herein to the Corporate Financing filing fee rule would incorporate all necessary concepts for the calculation of such filing fees. Therefore, NASD Regulation proposes to eliminate Section 6(c), as the reference to SEC Rule 457 is no longer necessary.

2. Statutory Basis

NASD Regulation believes that the proposed rule change is consistent with the provisions of Section 15A(b)(5) [7] of the Act, which requires that the rules of a national securities association provide for the equitable allocation of reasonable dues, fee, and other charges among members. NASD Regulation believes that the proposed rule change provides for the equitable allocation of the fees paid by members in connection with the submission of proposed public offerings to the Department for review

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

NASD Regulation does not believe that the proposed rule change will result in 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

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 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 such proposed rule change, or

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

IV. Socilitation of Comments

Interested persons are invited to submit written date, views, and arguments concerning the foregoing including whether the proposal is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549–0609. 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 NASD. All submissions should refer to file No. SR–NASD–99–01 and should be submitted by May 3, 1999.

For the Commission, by the Division of Market Regulations, pursuant to delegated authority.[8]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99–9009 Filed 4–9–99; 8:45 am]

BILLING CODE 8010–01–M

[5] SEC Rule 430A permits a registrant to omit certain information from a prospectus that is filed as part of a registration statement declared effective by the SEC if the omitted information is contained in a prospectus filed with the SEC pursuant to SEC Rule 424(b) or SEC Rule 497(h) within 15 business days after effectiveness. If the omitted information is not contained in a prospectus filed with the SEC within fifteen business days after effectiveness, it must be contained in an effective post-effective amendment to the registration statement. SEC Rule 430A permits a registrant to reflect in the prospectus filed pursuant to SEC Rule 424(b) or SEC Rule 497(h) or in a post-effective amendment to the registration statement a change in the volume of securities offered (if the total value of securities offered would not exceed that which was registered) or a change in the bona fide estimate of the maximum offering price range if the changes, in the aggregate, represent no more than a 20 percent change in the maximum aggregate offering price set forth in the fee table in the effective registration statement.

[6] SEC Rule 462(b) permits a registrant to file a registration statement that is effective upon filing if, among other things, the registration statement registers ''additional securities of the same class(es) as were included in an earlier registration statement for the same offering and declared effective with the Commission.''

[7] 15 U.S.C. 78*o*–3(b)(5).

[8] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–41242; File No. SR–OCC–98–04]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Concerning Required Clearing Fund Contributions

April 1, 1999.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on April 13, 1998, The Options Clearing corporation (''OCCC'') filed with the Securities and Exchange Commission (''Commission'') and on March 22, 1999, amended the proposed rule change (File No. SR–OCC–98–04) as described in Items I and II below, which items have been prepared primarily by OCC. The Commission is publishing this notice and order to solicit comments on the proposed rule change from interested persons and to grant accelerated approval of the proposal.

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

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

Under the proposed rule change, OCC will revise clearing members' required clearing fund contributions so that each clearing member will not be required to contribute a proportionate share of an amount equal to 5 percent of the average daily aggregate margin requirement of all clearing members with a sliding scale calculation of up to 7 percent if the amount of the clearing fund falls below $1 billion.

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

In its filing with the Commission, OCC 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. OCC 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

As part of OCC's risk reduction system, the clearing fund is designed to provide a third line of defense in the event of a clearing member default to enhance OCC's capacity to perform its guarantee function. OCC's first two lines of defense are (1) the credit worthiness of each clearing member and (2) each clearing member's margin deposits. If a clearing member becomes insolvent and its margin deposits are inadequate or are not immediately available, the clearing fund provides OCC with a pool of highly liquid assets that are immediately available.

The clearing fund mutualizes among all of OCC's clearing members the risk of default of an individual clearing member. OCC's total clearing fund is comprised of two fund pools, the equity clearing fund and the non-equity clearing fund. Currently, each clearing member's required contribution to the clearing fund is its proportionate share of an amount equal to 7 percent of the average daily aggregate margin requirement for equity options and for non-equity options.[3] Each clearing member is subject to a minimum contribution of $75,000 for the equity clearing fund if it is approved to clear equity options and $75,000 for the non-equity clearing fund if it is approved to clear non-equity options. Should these pools of assets ever be depleted, each clearing member is obligated to provide a second contribution equal to its original contribution prior to being able to withdraw from OCC membership.

Under Article VIII of its by-laws, OCC may use the clearing fund to cover various contingencies which include compensation for losses suffered by OCC as a result of the failure of a clearing member or a bank to perform its obligations to OCC. OCC's clearing fund currently contains over $1 billion. OCC has studied the adequacy of its clearing fund and believes that the size of its clearing fund is excessive with respect to its potential exposure. Among other things, OCC's analysis of the clearing fund's adequacy included an assessment of the clearing fun's ability to cover OCC's exposure resulting from (1) the default of a clearing member during volatile market conditions and (2) a delay or failure of a letter of credit bank to meet its obligation to OCC in connection with the default of a clearing member.

After careful and deliberate discussions, OCC and its Board of Directors have determined that a more prudent level of the clearing fund may be achieved by reducing the overall fund size calculation from the current 7 percent of average aggregate daily margin requirement to 5 percent of average aggregate daily margin requirement. However, OCC will apply a sliding scale calculation if the 5 percent contributions level produces a clearing fund of less than $1 billion.

Specifically, the proposed rule change will amend Interpretation .01 to OCC Rule 1001 to provide that each clearing member's contribution to the clearing fund will be not less than 5 percent and not greater than 7 percent of its average daily aggregate margin requirement.[4] Interpretation .01 will also provide that if the 5 percent contribution level produces a clearing fund of less than $1 billion that contribution level will be increased until either (a) The clearing fund reaches $1 billion or (b) the contribution level reaches 7 percent.

OCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act[5] and the rules and regulations thereunder because it reduces clearing members' required clearing fund contributions to a more efficient and prudent level while not adversely affecting OCC's ability to effectively manage its risks.

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

OCC does not believe that the proposed rule change would impose any 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 not and are not intended to be solicited with respect to the proposed rule change, and none have been received.

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

Section 17A(b)(3)(F) of the Act[6] requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody and control of the clearing agency or for which it is responsible. The Commission believes that the proposed rule change is consistent with OCC's obligations under Section 17A(b)(3)(F) because while it reduces the size of OCC's clearing fund by allowing OCC to lower its clearing members' required contributions, it still requires OCC to maintain a clearing fund which should be sufficient to cover OCC's exposure to a defaulting clearing member or to a defaulting bank that has issued a letter of credit to a defaulting clearing member.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the publication of notice of the filing. Approving prior to the thirtieth day after publication of notice will permit OCC to use the new clearing fund contribution requirements for its April calculation.

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.

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

[3] A clearing member's proportionate share is the percentage based on the clearing member's average daily open long and short positions during the month compared to the average daily open long and short positions held by all clearing members during the same month.

[4] OCC Rule 1001, which is not being amended, states that each clearing member's contribution shall be the greater of (1) $75,000 or (2) the clearing member's proportionate share of 5 percent, or such greater percentage as OCC's board may prescribe, of the average daily aggregate margin requirement.

[5] 15 U.S.C. 78q–1.

[6] 15 U.S.C. 78q–1(b)(3)(F).

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, 450 Fifth Street, NW, Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of OCC. All submissions should refer to the file number SR–OCC–98–04 and should be submitted by May 3, 1999.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,[7] that the proposed rule change (File No. SR–OCC–98–04) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[8]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99–9013 Filed 4–9–99; 8:45 am]

BILLING CODE 8010–01–M

[7] 15 U.S.C. 78s(b)(2).

[8] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–41251; File No. SR–SCCP–98–06]

Self-Regulatory Organizations; Stock Clearing Corporation of Philadelphia; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Reducing Certain Trade Recording Fees

April 5, 1999.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on December 31, 1998, the Stock Clearing Corporation of Philadelphia (''SCCP'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by SCCP. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

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

SCCP proposes permanent implementation of a reduction in SCCP's fee schedule for trade recording fees for trades that match with PACE orders.[2]

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

In its filing with the Commission, SCCP included statements concerning the purpose of and statutory basis for the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. SCCP has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.[3]

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

SCCP proposes permanent implementation of its program that reduced SCCP's trade recording fees for trades that match with PACE orders. SCCP began providing reduced recording fees for trades that match with PACE for trades settling January 2, 1998, through April 30, 1998.[4] Subsequently, the pilot program has been extended through December 31, 1999.[5]

Prior to the implementation of the pilot program, SCCP charged a trade recording fee of $.47 per side for regular trades. SCCP is not bifurcating the category of trade recording fees for regular trades into trades not matching with PACE orders and trades matching with PACE orders. The trade recording fees for trades not matching with PACE orders remains $.47 per side. SCCP's trade recording fees for trades matching with PACE orders are now (i) $.27 per side for the first 2,500 trades per month and (ii) $.10 per side for trades in excess of 2,500 per month.

SCCP believes that the trade recording fee reduction is equitable and reasonable. SCCP states that the PACE System provides participants and their customers with automated order entry, execution, and processing. One of the benefits of small order entry systems, such as PACE, is that customers pay lower fees for the use of PACE as opposed to manual order entry. SCCP further states that another benefit of PACE is the increased efficiency associated with automated order processing. In fact, lower fees generally recognize the reduction of participant and exchange personnel involved in PACE transactions. Therefore, reducing the total cost of exchange trading, in an equitable fashion, should encourage additional PACE business, which in turn, extends the many benefits of PACE to additional customers.

SCCP notes that trades matching with PACE trades require that SCCP expend fewer technological and manual resources to accept and record than if the trades arrived at SCCP from a source other than PACE. SCCP receives information on trades from many different sources and then processes this trade information for its participants. These trades take place on a number of different platforms. For example, SCCP clears trades executed on the PACE system, the Intermarket Trading System (''ITS''), and from the Securities Industry Automation Corporation (''SIAC'') over-the-counter system. In all, SCCP receives and records trades from approximately twelve different sources. All of these sources, except trades executed over PACE, require SCCP to expend additional technological and manual resources to process these trades.

Trades executed over PACE are received by SCCP from the PHLX. PACE trades received from the PHLX are already in a format that SCCP systems can read and process without further technological and manual manipulation. Trades executed and received from another source require SCCP to create and interface, create additional programming to transform the data received into a source that SCCP systems can process, and potentially require SCCP personnel to enter trades manually from hand written tickets. In other words, SCCP states that it must expend additionally resources to transform the data it receives from non-PACE sources in a format comparable to PACE data received from PHLX. Therefore, SCCP believes that a reduction in fees for trades that match with PACE orders recognizes the reduced resources needed by SCCP to process and record these trades.

For these reasons, SCCP believes that the proposed rule change is consistent

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

[2] PACE, an acronym for the Philadelphia Stock Exchange Automated Communication and Execution System, is a real time order routing and execution system.

[3] The Commission has modified parts of these statements.

[4] Securities Exchange Act Release No. 39630 (February 9, 1998), 63 FR 7848.

[5] Securities Exchange Act Release Nos. 39948 (May 4, 1998), 63 FR 25538, 40274 (July 22, 1998), 63 FR 40578 and 40885 (January 5, 1999), 64 FR 1851.