

position, \$.50 per delivery on CNS in the night processing cycle to cover a short valued position, and \$1.25 per delivery to CNS in the day processing cycle to cover a short valued position. Each of these three fees includes a \$.075 charge associated with a CNS delivery order movement. Under this rule change, the charge for CNS delivery order movements will be reflected as a separate charge of \$.06 instead of \$.075. To reflect both the removal of the delivery order movement component of these fees and the additional reductions, the trade clearance fees for these items are being reduced as follows: \$.40 per issue received from CNS to satisfy a long valued position, \$.40 per delivery to CNS in the night processing cycle to cover a short valued position, and \$1.00 per delivery to CNS in the day processing cycle to cover a short valued position.

(4) Membership Fees

NSCC is making two changes with respect to its membership fees. First, it is reducing its networking membership fee from \$250 to \$200 per month. Second, NSCC currently has a cap on the aggregate dollar amount of membership fees which it charges for the following services: trade processing systems, envelope settlement system, dividend settlement service, and Fund/SERV.³ NSCC is removing Fund/SERV from this cap and is implementing a new cap of \$200 on the aggregate dollar amount of membership fees that may be charged to a participant for use of Fund/SERV, networking, and mutual fund commission settlement.⁴

(5) Other Mutual Fund Related Fees

Other mutual fund related fees are being reduced. The Fund/SERV transaction fee is being reduced from \$.35 to \$.30 per side per order or transfer request. The networking account base fees for accounts relating to funds paying monthly dividends are being reduced from \$.025 to \$.020 per networking subaccount and from \$.015 to \$.010 for accounts relating to funds paying dividends less frequently than monthly. The minimum charge for mutual fund commission record submissions is being reduced from \$100 to \$50.

³ For members with ten or less assigned numbers, this cap is \$200 per month, and for members with more than ten assigned numbers, the cap is \$150 for the first ten numbers and \$75 for each additional number.

⁴ The individual fees are \$50 for Fund/SERV membership, \$50 for mutual fund commission settlement membership, and \$200 for networking membership taking into account the reduction made by this filing.

NSCC intends to give members the benefit of these fee changes effective as of January 1, 1998. The necessary adjustments to accommodate these reductions will be reflected in bills transmitted to members in March 1998.

NSCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act, and the rules and regulations thereunder because it provides for the equitable allocation of dues, fees, and other charges among NSCC's members.

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

NSCC does not believe that the proposed rule change will impact or impose a 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 have been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

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)(ii)⁵ of the Act and pursuant to Rule 19b-4(e)(2)⁶ promulgated thereunder because the proposal establishes or changes a due, fee, or other charge imposed by NSCC. 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, 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

⁵ 15 U.S.C. 78s(b)(3)(A)(ii).

⁶ 17 CFR 240.19b-4(e)(2).

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, N.W., Washington, D.C. 20549. Copies of such filing also will be available for inspection and copying at the principal office of NSCC. All submissions should refer to File No. SR-NSCC-98-1 and should be submitted by May 12, 1998.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 98-10419 Filed 4-20-98; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39864; File No. SR-NSCC-97-14]

Self-Regulatory Organizations; National Securities Clearing Corporation; Order Granting Approval of a Proposed Rule Change to Modify NSCC's Rules Regarding its Trade Comparison Service

April 14, 1998.

On December 9, 1997, the National Securities Clearing Corporation ("NSCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-NSCC-97-14) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ to modify NSCC's procedures regarding its trade comparison system for over-the-counter ("OTC") securities. Notice of the proposal was published in the **Federal Register** on January 28, 1998.² No comment letters were received. For the reasons discussed below, the Commission is granting approval of the proposed rule change.

I. Description

The rule change modifies NSCC's trade comparison service by discontinuing the ability of members to submit the following instructions: "delete of original trade input,"³

⁷ 17 CFR 200.30-3(A)(12)

¹ 15 U.S.C. 78s(b)(1).

² Securities Exchange Act Release No. 39563 (January 20, 1998) 63 FR 4336.

³ NSCC members used the "delete of original trade input" instruction to delete any item for which the comparison process resulted in an uncomparated trade.

"demand withhold,"⁴ and "demand as of."⁵ Such instructions are used very infrequently by NSCC members due to the growth of automated processing systems. Additionally, the change eliminates members' ability to submit an advisory listing after the first day after trade date ("T+1") for original input and as of trades.⁶ Under the third change, the supplemental contract lists and the added trade contract lists no longer carry forward totals from prior days.⁷

II. Discussion

Section 17A(b)(3)(F)⁸ provides that the rules of a clearing agency must be designed to facilitate the prompt and accurate clearance and settlement of securities transactions. The Commission believes that the rule change is consistent with NSCC's obligations under the Act because it permits NSCC to discontinue certain functions that are rarely used or that no longer serve a useful function. Discontinuing these functions permits NSCC to focus its resources on functions that provide greater benefits to its members. Thus, the proposal may assist NSCC in fulfilling its obligation to facilitate the prompt and accurate clearance and settlement of securities transactions.

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-NSCC-97-14) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 98-10505 Filed 4-20-98; 8:45 am]

BILLING CODE 8010-01-M

⁴ The "demand withhold" instruction deleted previously compared OTC transactions that have been canceled by mutual agreement of the buyer and the seller.

⁵ The "demand as of" instruction permitted uncompleted OTC trade data submitted by members to be resubmitted.

⁶ Advisory listings indicate trades that were submitted by another party against the member but that did not match any trade the member submitted.

⁷ The supplemental contract lists show all compared trades resulting from adjustments submitted on T+1. The added trade contract lists show trades that are compared on T+2 and thereafter.

⁸ 15 U.S.C. 78q-1(b)(3)(F).

⁹ 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39862; File No. SR-OCC-98-01]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to Fees and Charges

April 14, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on February 2, 1998, The Options Clearing Corporation ("OCC") 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 OCC. 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 will amend OCC's fee schedule relating to fees for established products and to introductory clearing fees for new products.

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

OCC's current clearing fee for established products is \$.10 per contract, per side. Under the proposed rule change this single clearing fee will be replaced with the following fee structure:

Cleared trades of—	Clearing fee (per side)—
1–500 contracts	\$0.09 per contract.

¹ 15 U.S.C. 78s(b)(1).

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

Cleared trades of—	Clearing fee (per side)—
501–1,000 contracts ..	.07 per contract.
1,001–2,000 contracts	.06 per contract.
Greater than 2,000 contracts.	110.00 per trade.

In addition, OCC's introductory clearing fees for new products currently are (i) \$.00 per contract per side for the first month the new product is traded; (ii) \$.025 per contract per side for the second month the new product is traded; (iii) \$.050 per contract per side for the third month the new product is traded; and (iv) \$.10 for the fourth month the new product is traded and thereafter. Under the proposed rule change, OCC's current introductory fees will be replaced with the following fee structure:

New products	Clearing fee (per side)
First Calendar Month Traded	\$0.00
Second Calendar Month Traded:	
Cleared trades of:	
1–4,400 contracts	^a .025
Greater than 4,400 contracts	^b 110.00
Third Calendar Month Traded:	
Cleared trades of:	
1–2,200 contracts	^a .050
Greater than 2,200 contracts	^{b, 3} 110.00

^a Per contract. ^b Per trade.

³ OCC has informed the Commission that it is modifying the introductory fees for cleared trades of more than 4,400 contracts during the second calendar month and of more than 2,200 trades during the third calendar month so that introductory fees for new products do not exceed the volume discounts under the regular fee schedule.

In the fourth calendar month that the new product is traded and thereafter, OCC will begin charging its clearing fees for established products. Cleared trades will be determined with reference to the matched trades reported to OCC by its participant exchanges.

OCC believes that the proposed rule change is consistent with the requirements of Section 17A of the Act⁴ and the rules and regulations thereunder because it provides for the equitable allocation of dues, fees, and other charges among OCC's participants and other parties who use OCC's services.

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

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

⁴ 15 U.S.C. 78q-1.