

general, to protect investors and the public interest.¹¹ The Commission believes that the proposed rule change will provide NASD Regulation with greater flexibility in the nomination and appointment of Industry members to the NAC, which serves an important role in reviewing disciplinary, membership, and other matters for NASD Regulation. At the same time, NASD member involvement in nominating Industry members for the NAC will be preserved by requiring most Industry members of the NAC to represent regions.

The Commission notes that the proposed rule change is consistent with the corporate reorganization approved by the Commission in SR-NASD-97-71¹² in that the number of regions that may be established by the Board is not specified in the NASD Regulation By-Laws so that the Board may retain flexibility in determining the appropriate number of regions. The proposed rule change also is consistent with the regional plan approved by the Board at its meeting on May 6, 1998, which proposes a 12-member NAC and five regions for 1999. The proposed rule change thus will permit five Industry members of the NAC to be nominated by the regions for consideration by the National Nominating Committee and one at-large Industry member of the NAC who would not be subject to the regional nominating requirements in Article VI of the NASD Regulation By-Laws. All six Industry members, along with six Non-Industry members, would be nominated by the National Nominating Committee and appointed by the NASD Regulation Board.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹³ that the proposed rule change (SR-NASD-98-36) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Jonathan G. Katz,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40220; File No. SR-NYSE-98-18]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the New York Stock Exchange, Inc. Relating to the Filing of Certain Material in Electronic Format by Listed Companies

July 16, 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 July 9, 1998, the New York Stock Exchange, Inc. ("NYSE" 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 NYSE. 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's rules require listed companies to file multiple copies of Commission reports and other materials with the Exchange. The Exchange is proposing to permit listed companies to comply with this obligation by filing certain material with the Commission through the Electronic Data Gathering, Analysis, and Retrieval ("EDGAR") system.

The text of the proposed rule change is available at the Office of the Secretary, the NYSE, 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 NYSE 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 NYSE 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 streamline filing requirements for listed companies by permitting them to file most Commission-required documents with the Exchange in electronic format.

The Exchange's rules required listed companies to file with it multiple copies of annual and interim reports, as well as other Commission filings, such as registration statements and prospectuses. The Commission also requires listed companies to file copies of Commission reports and registration statements with any national securities exchange on which their securities are listed. Listed companies currently file these materials with the Exchange in paper format, even if they file electronically with the Commission. Under the Commission's regulations, domestic registrants generally are required to file all material with the Commission through EDGAR.³

The proposed rule change provides that, with three exceptions, the EDGAR filing will satisfy the Exchange filing requirement.⁴ The Exchange will have immediate and complete access to all filings in the same manner that it currently does, through its library, which is operated under contract with the Exchange by a "Level" EDGAR subscriber. In addition, the Exchange is considering additional forms of access for relevant Exchange personnel, such as through an EDGAR terminal on-site in the New Listings and Client Service offices. The relevant Exchange staff also has access to much of this information through the Commission's EDGAR site on the World Wide Web.

The three areas in which the Exchange will continue to require hard copy filing are:

- Material necessary to support a listing application. The Exchange currently accepts listing applications only in hard copy format. Thus, the Exchange will continue to require the exhibits and attachments to listing

³ See Section 100 of Commission Regulation S-T.

⁴ The Exchange will submit a request for a "no action" letter (the "No Action Letter"), on behalf of its listed companies, seeking Commission staff concurrence in the view that a company's filing of a report or other material covered by this rule change through EDGAR will satisfy the company's obligation under the Commission's rules to file the material with the Exchange. Although the proposed rule change is effective immediately upon filing, the Exchange will not implement the rule change until the Commission staff grants the No Action Letter.

¹¹ In approving this rule, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹² Securities Exchange Act Release No. 39175 (Sept. 30, 1997), 62 FR 53062 (Oct. 10, 1997).

¹³ 15 U.S.C. 78s(b)(2).

¹⁴ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

applications, including Commission registration material, to be filed in hard copy form.

- Proxy material. The Exchange conducts an immediate review of proxy material, including preliminary material, for a number of purposes. For example, the Exchange reviews possible changes to the company's board of directors. The Exchange also reviews proxies to determine whether brokers-dealers may vote certain routine items pursuant to Exchange Rule 452. Until the Exchange has more experience in accepting filings through EDGAR, it believes it can best expedite this review if it continues to receive multiple paper copies of the proxy material.

- Forms 8-K. Listed companies file these "current reports" to provide notice of certain material events. Because these reports can provide an early warning of material corporate developments, the Exchange preliminarily believes that it would be appropriate to receive hard copy delivery of this information.

The Exchange will monitor the operation of this rule. Based on that monitoring, the Exchange will consider expanding the categories of reports and other materials that listed companies can file with the Exchange through EDGAR, and will file a proposed rule change with the Commission if it determines to expand the operation of the rule.

2. Statutory Basis

The NYSE believes the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act⁵ that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, 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 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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The

Exchange has not received any unsolicited written comments from members or other interested parties.

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

The foregoing rule change constitutes a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule of the Exchange and therefore, has become effective pursuant to Section 19(b)(3)(A)(i) of the Act,⁶ and subparagraph (e) of Rule 19b-4 thereunder.⁷ The Exchange will not implement the proposed rule change until the Commission staff grants the requested No Action Letter concurring in the Exchange's view that a company's filing of a report or other material covered by this rule change through EDGAR will satisfy the company's obligation under the Commission's rules to file the material with the Exchange.

At any time within 60 days of the filing of such proposed 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 submissions, 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 the NYSE. All submissions should refer to File No. SR-NYSE-98-

18 and should be submitted by August 13, 1998.

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

Jonathan G. Katz,

Secretary.

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SECURITIES AND EXCHANGE COMMISSION

(Release No. 34-40212; File No. SR-OCC-98-02)

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Clarifying Rules Regarding the Unavailability of Current Index Values

July 15, 1998.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on February 20, 1998, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change 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.

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

The purpose of the proposed rule change is to clarify the application of OCC's by-laws relating to the unavailability or inaccuracy of current index values where there is an early closing of the primary market for the securities underlying an index option valued at the close.

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),

⁵ 15 U.S.C. 78f(b)(5).

⁶ 15 U.S.C. 78s(b)(3)(A)(i).

⁷ 17 CFR 240.19b-4.

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).