

securities transactions. The Commission believes the NSCC's new interactive messaging feature should increase the efficiency of collateral movements in and among clearing entities by establishing a standardized and automated system to request the movement or withdrawal of collateral. Further, the CMS modifications will give NSCC and participants information regarding participants' requests for movement or withdrawal of collateral which should help participating clearing entities to better monitor their participants' collateral positions. Therefore, the Commission believes that the change is consistent with NSCC's obligations under Section 17A(b)(3)(F).

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 with 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-98-10) be and hereby is approved.

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. 34-40731; File No. SR-NYSE-98-39]

Self-Regulatory Organization; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the New York Stock Exchange, Inc., To Increase the Administration Fee Charged for the Supervisory Analyst Examination (Series 16)

December 1, 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 November 13, 1998, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") 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 by the Exchange. 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 NYSE proposes to increase the fee for the Supervisory Analyst Examination (Series 16) from \$60 to \$200 per administration effective December 1, 1998.

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 IV 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

Exchange Rule 472(b) ("Communications With The Public") requires that research reports be prepared or approved by a supervisory analyst acceptable to the Exchange under the provisions of Rule 344 ("Supervisory Analysts"). The Supervisory Analyst Examination ("Series 16") is the qualification examination that a person must pass before he or she can work as a Supervisory Analyst for a member or member organization. The Exam previously was administered in paper and pencil format and the fee charged has been \$60 per candidate. Recently, the Exchange began administration of this examination in electronic format at Sylvan Test Centers. These test centers also administer other industry examinations.

The Exchange proposes to increase the administration fee for the Series 16 Examination to \$200 per exam administration effective December 1, 1998. The increased fee is necessary to offset expenses incurred in developing, updating and administering the exam. Additionally, the fee will be consistent with the fees charged for other exams.

2. Statutory Basis

The proposed rule change is consistent with the requirement under Section 6(b)(4) of the Act³ that an Exchange have rules that provide for the equitable allocation of reasonable dues, fees and other charges among its members and issuers and other persons using its facilities.

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

The Exchange believes that the proposal does not 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

Comments were neither solicited nor received.

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

Because the foregoing rule change establishes or changes a due, fee, or other charge imposed by the Exchange, it has become effective pursuant to Section 19(b)(3)(A)(ii) of the Act⁴ and subparagraph (e)(2) of Rule 19b-4 thereunder.⁵ At any time within 60 days of the filing of the 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.⁶

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule 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

³ 15 U.S.C. 78f(b)(4).

⁴ 15 U.S.C. 78s(b)(3)(A)(ii).

⁵ 17 CFR 240.19b-4(e)(2).

⁶ In reviewing this proposal, the Commission has considered its potential impact on efficiency, competition and capital formation. 15 U.S.C. 78c(f).

¹² 17 CFR 200.30-3(a) (12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 NYSE. All submissions should refer to File No. SR-NYSE-98-39 and should be submitted by December 30, 1998.

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

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-40721; File No. SR-NYSE-98-35]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the New York Stock Exchange, Inc. Relating to Specifications and Content Outline for the Trading Assistant Qualification Examination (Series 25)

November 30, 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 November 10, 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 has filed the Content Outline and Specifications for the Trading Assistant Qualification Examination ("Series 25 Content Outline").

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 IV below. The NYSE has prepared summaries, set forth in Sections A, B, and C below, of the most significant parts of such statements.

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

1. Purpose

Exchange Rule 35 dictates the terms under which an employee of a member or member organization may be admitted to the Exchange Trading Floor. Currently, the registration process for Floor employees *i.e.*, Post Clerks and Booth Clerks, also known as Trading Assistants, consists of submission of a completed Form U-4 ("Uniform Application for Securities Industry Registration or Transfer") and fingerprints. The Exchange has proposed amendments to Rule 35 to require Trading Assistants to, in addition to the current requirements, take and pass appropriate qualification examinations and meet appropriate training requirement.³

The Series 25 and Series 25 Content Outline were developed by the Exchange, in conjunction with a Committee of Exchange Members and Trading Assistants, in order to qualify Floor Trading Assistants pursuant to proposed amendments to Rule 35.⁴ The Series 25 will ensure that Trading Assistants have the basic knowledge, skills, and abilities necessary to perform the functions and carry out the responsibilities of a Trading Assistant. The Series 25 Content Outline, which may be examined at the places specified in Item IV below, details the coverage of the examination.

The requirement to take and pass the Series 25 examination in order to qualify as a Trading Assistant will apply to all current and prospective Trading Assistants. A proposed new interpretation to Rule 35 will establish that new Trading Assistants will be required to undergo three months of training (including on-the-job and classroom instruction) prior to taking the examination.⁵ New Trading Assistants will not be permitted to perform their functions without supervision until passing the examination. Current Trading Assistants

would have one year from implementation of the qualification requirement to pass the examination.

2. Statutory Basis

The Exchange believes the statutory basis for the Series 25 Examination lies in Section 6(c)(3)(B) of the Act.⁶ Under that Section, the Exchange has the responsibility to prescribe standards of training, experience and competence for persons associated with Exchange members and member organizations. Pursuant to this statutory obligation, the Exchange has developed examinations that are administered to establish that persons associated with Exchange members and member organizations have attained specified levels of competence and knowledge.

In addition, pursuant to Section 6(c)(3)(B) of the Act,⁷ the Exchange may bar a natural person from becoming a member or person associated with a member, if such natural person does not meet such standards of training, experience and competence as are prescribed by the rules of the Exchange. Pursuant to this statutory obligation, the Exchange believes it has developed an examination that will be administered to confirm that Trading Assistants have attained specified levels of competence and knowledge.

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

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

³ On October 22, 1998, the Exchange filed with the Commission SR-NYSE-98-36 which proposes to amend Rule 35 to provide for the additional registration requirements for Trading Assistants. Securities Exchange Act Release No. 40720 (November 30, 1998).

⁴ Id.

⁵ Id.

⁶ 15 U.S.C. 78f(c)(3)(B).

⁷ Id.

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.