

("Commission") has submitted to the Office of Management and Budget requests for extension of the previously approved collections of information discussed below.

The Commission exercised its authority under Section 19 of the Securities Act of 1933 to establish Form F-6 for registration of American Depositary Receipts (ADRs) of foreign companies. Form F-6 requires disclosure of information regarding the terms of the depository bank, fees charged, and a description of the ADRs. No special information regarding the foreign company is required to be prepared or disclosed, although the foreign company must be one which periodically furnishes information to the Commission. Such information is available for public inspection. The information is needed to ensure that investors in ADRs have full disclosure of information concerning the deposit agreement and the foreign company. It has been estimated that there are 339 respondents annually resulting in an estimated annual total burden of 306 hours.

The information provided on Form F-6 is mandatory to best ensure full disclosure of ADRs being issued in the United States. All information provided to the Commission is available for public review upon request.

Regulation S-T sets forth the general rules and regulations for electronic filings. Registrants who have to file electronically are the likely respondents. Regulation S-T is only assigned one burden hour for administrative convenience because it does not directly impose any information collection requirements.

The electronic filing requirement is mandatory for all companies required to file electronically. All information provided to the Commission is available to the public for review.

General comments regarding the above information should be directed to the following persons: (i) Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, New Executive Office Building, Washington, D.C. 20503; and (ii) Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. Comments must be submitted to OMB within 30 days of this notice.

Dated: August 9, 1999.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99-21190 Filed 8-13-99; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Investment Company Release No. 23939; 812-11566]

BHF Finance (Delaware) Inc.; Notice of Application

August 10, 1999.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for exemption under section 6(c) of the Investment Company Act of 1940 (the Act) from all provision of the Act.

SUMMARY OF APPLICATION: Applicant, BHF Finance (Delaware) Inc. ("BHF Finance"), seeks an order to permit BHF Finance to sell securities and use the proceeds to finance the business activities of its parent company, BHF-BANK Aktiengesellschaft ("BHF"), and certain companies controlled by BHF.

FILING DATES: The application was filed on March 17, 1999, and amended on August 4, 1999.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on September 7, 1999, and should be accompanied by proof of service on applicant in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549-0609. Applicant, 590 Madison Avenue, New York, NY 10022.

FOR FURTHER INFORMATION CONTACT: Janet M. Grossnickle, Attorney-Adviser, at (202) 942-0526, or Mary Kay Frech, Branch Chief, at (202) 942-0564 (Office of Investment Company Regulation, Division of Investment Management).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch, 450 Fifth

Street, N.W., Washington, D.C. 20549-0102 (tel. 202-942-8090).

Applicant's Representations

1. BHF is a commercial bank organized under the laws of the Federal Republic of Germany ("Germany"). BHF provides, directly or through its subsidiaries, a wide range of financial services to individuals businesses, governments and financial institutions throughout Germany and internationally. As of December 31, 1998, BHF was the seventh largest publicly traded commercial bank in Germany in terms of consolidated total assets, which totaled approximately DM 89 billion. BHF Finance is a Delaware corporation and wholly-owned subsidiary of BHF that was organized to engage in financing activities and to provide funds for BHF and companies controlled by BHF.

2. On December 30, 1998, approximately 39% of the shares of BHF were indirectly acquired by ING Groep N.V. ("ING Group"), a Netherlands corporation engaged in insurance activities in the United States. BHF Finance states that ING Group's investment is considered a controlling interest under the Bank Holding Company Act of 1956 ("BHCA"), which prohibits a foreign entity from engaging directly or indirectly in banking and insurance activities in the United States at the same time. Accordingly, BHF is in the process of terminating all banking activities, as defined in the BHCA, in the United States ("de-banking").

3. BHF Finance previously issued and sold commercial paper in the United States pursuant to an SEC order issued in 1986 and amended in 1993 ("Prior Order") exempting it from all provisions of the Act.¹ BHF Finance has discontinued the issuance and sale of commercial paper pursuant to the Prior Order in connection with the de-banking. All of the commercial paper issued pursuant to the Prior Order matured on or prior to June 18, 1999. The order requested by BHF Finance will supersede the Prior Order.

4. BHF intends to continue to engage in some business activities in the BHF Finance, primarily the business of extending commercial credit to third parties, through BHF (USA) Capital Corporation ("BHF Capital"), a Delaware corporation, which is an

¹ *Berliner Handels-Und Frandfurter Bank and BHF Finance (Delaware) Inc.*, Investment Company Act Release Nos. 19603 (July 38, 1993) (notice) and 19649 (Aug. 24, 1993) (order); *Berliner Handels-Und Frandfurter Bank and BHF Finance (Delaware) Inc.*, Investment Company Act Release Nos. 15188 (July 2, 1986) (notice) and 15230 (July 29, 1986) (order).

indirect, wholly-owned subsidiary of BHF. All of the outstanding securities of BHF Capital are indirectly owned by BHF.

5. BHF Finance proposes to issue commercial paper in the United States pursuant to the exemption contained in section 3(a)(3) of the Securities Act of 1933 (the "1933 Act"). BHF Finance may also offer debt securities other than commercial paper or non-voting preferred stock in the United States, and lend the proceeds to or invest the proceeds in BHF, BHF Capital and other companies that, after giving effect to the exemption requested in the application, will be companies controlled by BHF within the meaning of rule 3a-5(b) under the Act as discussed below ("Controlled Companies"). Rule 3a-5 generally exempts finance subsidiaries of operating companies from the definition of investment company.

6. Any issuance of debt securities or non-voting preferred stock by BHF Finance will be guaranteed unconditionally by BHF with a guarantee that meets the requirements of rule 3a-5(a)(1) or (2), respectively (the "Guarantee"). In accordance with rule 3a-5(a)(5), at least 85% of any cash or cash equivalents raised by BHF Finance will be invested in or loaned to BHF and Controlled Companies as soon as practicable, but in no event later than six months after BHF Finance's receipt of such cash or cash equivalents. In accordance with rule 3a-5(a)(6), all investments by BHF Finance, including temporary investments, will be made in government securities, securities of BHF and Controlled Companies, or debt securities that are exempted from the provisions of the 1933 Act by section 3(a)(3) of the 1933 Act.

7. In connection with BHF Finance's offering of securities guaranteed by BHF, BHF will submit to the jurisdiction of any state or Federal court in the County of New York, State of New York and will appoint an agent to accept any process which may be served in any action based upon BHF's obligations to BHF Finance as described in the application. Such consent to jurisdiction and such appointment of an authorized agent to accept service of process will be irrevocable until all amounts due and to become due with respect to securities issued by BHF Finance as described in the application have been paid.

Applicant's Legal Analysis

1. BHF Finance requests relief under section 6(c) of the Act for an exemption from all provisions of the Act. Rule 3a-5 under the Act provides an exemption from the definition of investment

company for certain companies organized primarily to finance the business operations of their parent companies or companies controlled by their parent companies.

2. Rule 3a-5(b)(3)(i) in relevant part defines a "company controlled by the parent company" to be a corporation, partnership, or joint venture that is not considered an investment company under section 3(a) of the Act or that is excepted or exempted by order from the definition of investment company by section 3(b) of the Act or by the rules and regulations under section 3(a). Certain of BHF's subsidiaries do not fit within the definition of "companies controlled by the parent company" because they derive their non-investment company status from section 3(c) of the Act. In addition, BHF engages in certain activities (including certain investment activities) through BHF Capital. BHF Capital has no outstanding securities other than those owned directly or indirectly by BHF (excluding short-term paper, directors' qualifying shares, and debt securities owned by the Small Business Administration). BHF Capital would be eligible for exemption under rule 3a-3 under the Act, except that BHF is a foreign bank.² Accordingly, BHF Finance requests exemptive relief to permit it to lend the proceeds of its debt offerings to certain subsidiaries of BHF that are excluded from the definition of investment company by virtue of section 3(c) and subsidiaries that would be excluded by virtue of rule 3a-3, but for BHF's status as their parent company. BHF Finance states that neither itself, nor BHF, nor BHF Capital engage primarily in investment company activities.

3. Section 6(c) of the Act, in pertinent part, provides that the SEC, by order upon application, may conditionally or unconditionally exempt any person, security or transaction, or any class or classes of persons, securities or transactions, from any provision or provisions of the Act to the extent that such exemption is necessary or appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of

² Rule 3a-3 generally exempts an issuer from the definition of investment company if all of its outstanding securities (other than short-term paper, directors' qualifying shares, and debt securities owned by the Small Business Administration) are owned by an eligible parent company. A parent company generally is eligible if it meets certain asset and income tests and (i) it is not an investment company as defined in section 3(a) of the Act; (ii) it is excluded from the definition of investment company by section 3(b) of the Act; or (iii) it is deemed not to be an investment company under rule 3a-1 of the Act.

the Act. BHF Finance submits that its exemptive request meets the standards set out in section 6(c).

Applicant's Condition

BHF Finance agrees that the order granting the requested relief will be subject to the following condition:

BHF Finance will comply with all of the provisions of rule 3a-5 under the Act, except paragraph 9b)(3)(i) to the extent that BHF Finance will be permitted to invest in or make loans to entities that do not meet the portion of the definition of "company controlled by the parent company" solely because they are:

(1) subsidiaries of BHF that would be excluded from the definition of investment company by virtue of rule 3a-3 under the Act, but for BHF's status as their parent company; or

(2) corporations, partnerships, and joint ventures that are excluded from the definition of investment company by section 3(c)(1), (2), (4), (6) or (7) of the Act, provided that any such entity:

(a) if excluded from the definition of investment company pursuant to section 3(c)(1) or section 3(c)(7) of the Act, will be engaged solely in lending, leasing or related activities (such as entering into credit derivatives to manage the credit risk exposures of its lending and leasing activities) and will not be structured as a means of avoiding regulation under the Act; and

(b) if excluded from the definition of investment company pursuant to section 3(c)(6) of the Act, will not be engaged primarily, directly or indirectly, in one or more of the businesses described in section 3(c)(5) of the Act.

For the SEC, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. IC-23940; 812-11382]

The Chapman Funds, Inc., et al.; Notice of Application

August 10, 1999.

AGENCY: Securities and Exchange Commission ("Commission").

ACTION: Notice of an application for an order under section 6(c) of the Investment Company Act of 1940 (the "Act") for an exemption from section 15(a) of the Act and rule 18f-2 under