

conversions,<sup>6</sup> (3) dividend spreads,<sup>7</sup> and (4) box spreads.<sup>8</sup> Because of the inability of the Amex's billing system to distinguish among these transactions, however, the Amex proposes to employ a manual procedure. Specifically, within thirty calendar days after the particular transaction, a specialist or an ROT must request reimbursement of the marketing fee that was imposed on any trade that was effected pursuant to any of the above-specified trading strategies. To request reimbursement, a specialist or an ROT must submit a Marketing Fee Reimbursement Form to the Service Desk on the Amex Floor. If the Amex approves the request, the Amex will deliver to that member's clearing firm a reimbursement check in the amount of the marketing fee charged for the transaction.

## 2. Statutory Basis

The Amex believes that the proposed rule change is consistent with Section 6(b) of the Act<sup>9</sup> and furthers the objectives of Section 6(b)(4) of the Act<sup>10</sup> in that it is designed to provide for the equitable allocation of reasonable dues, fees, and other charges among its members, issuers, and other persons using its facilities.

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

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

### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others*

The Amex neither solicited nor received written comments with respect to the proposed rule change.

<sup>6</sup> According to the Amex, a "conversion" is a strategy in which a long put and a short call with the same strike price and expiration date are combined with long underlying stock to lock in a nearly riskless profit. The Amex describes a "reversal" as a strategy in which a short put and long call with the same strike price and expiration date are combined with short stock to lock in a nearly riskless profit.

<sup>7</sup> According to the Amex, a "dividend spread" is any trade done within a defined time frame in which a dividend arbitrage can be achieved between any two deep-in-the-money options.

<sup>8</sup> According to the Amex, a "box spread" is a spread strategy that involves a long call and short put at one strike price as well as a short call and long put at another strike price; this is a synthetic long stock position at one strike price and a synthetic short stock position at another strike price.

<sup>9</sup> 15 U.S.C. 78f(b).

<sup>10</sup> 15 U.S.C. 78f(b)(4).

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

Because the Amex has designated the foregoing proposed rule change as a fee change pursuant to Section 19(b)(3)(A)(ii) of the Act<sup>11</sup> and Rule 19b-4(f)(2) thereunder,<sup>12</sup> the proposal has become effective immediately upon filing with the Commission. At any time within 60 days after the filing of this proposed rule change, the Commission may summarily abrogate the 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

The Commission invites interested persons 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 20549-0609. Copies of the submission, all subsequent amendment, 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 Amex. All submissions should refer to File No. SR-Amex-2001-38 and should be submitted by August 27, 2001.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>13</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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<sup>11</sup> 15 U.S.C. 78s(b)(3)(A)(ii).

<sup>12</sup> 17 CFR 240.19b-4(f)(2).

<sup>13</sup> 17 CFR 200.30-3(a)(12).

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44618; File No. SR-EMCC-2001-01]

### **Self-Regulatory Organizations; Emerging Markets Clearing Corporation; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Revising Fees**

July 30, 2001.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on January 29, 2001, EMCC 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 EMCC. 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 Term of Substance of the Proposed Rule Change**

The proposed rule change modified EMCC's fee schedule to charge members that use the Match-EM formats or the Datatrack/Autoroute communications network.

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

In its filing with the Commission, EMCC 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. EMCC has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.<sup>2</sup>

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

When EMCC first began operations, EMCC supported the message formats created for the Match-EM trade comparison system operated by General Electric Corporation. In October 1999, however, EMCC stopped accepting trade data via the Match-EM system although it has continued to accept data directly from those members still using the Match-EM formats. Similarly, the Datatrack/Autoroute communications

<sup>1</sup> 15 USC 78s(b)(1)

<sup>2</sup> The Commission has modified the text of the summaries prepared by EMCC.

link offered to members when EMCC began operations has largely been supplanted by communications via the SWIFT network or via direct communication using MQ protocol.

EMCC currently incurs data processing costs attributable to accepting data in the Match-EM format and receiving transmissions via the Datatrack/Autoroute communications network. EMCC does not believe that it is appropriate to absorb these costs and that these costs should be paid by those members who continue to use these services. Accordingly, EMCC has determined to charge those members who, from and after July 1, 2001, continue to use the Match-EM format and/or the Datatrack/Autoroute communications network a fee equal to EMCC's cost of providing such data processing services on a proportionate pass-through basis based upon a formula that takes into account transaction volumes and the number of participants utilizing the services. EMCC estimates these costs to be approximately \$30,000 per year for using the Match-EM format and approximately \$90,000 per year for using the Datatrack/Autoroute network. Thus, the maximum annual charge a member would have responsibility for, if it were the last member using both services, is \$120,000.

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

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

EMCC does not believe that the proposed rule change will have an impact on 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 relating to the proposed rule change have been solicited or received. EMCC will notify the Commission of any written comments received by EMCC.

#### **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) of the Act<sup>3</sup> and Rule 19b-

4(2)<sup>4</sup> thereunder because the proposed rule change establishes a fee. 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 NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the rule proposal that are filed with the Commission, and all written communications relating to the rule proposal 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 in Washington, DC. Copies of such filing will also be available for inspection and copying at EMCC's principal office. All submissions should refer to file No. SR-EMCC-2001-01 and should be submitted by August 27, 2001.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>5</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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#### **SECURITIES AND EXCHANGE COMMISSION**

**[Release No. 34-44620; File No. SR-GSCC-2001-07]**

#### **Self-Regulatory Organizations; Government Securities Clearing Corporation; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Imposing a Fee on Members That Fail To Submit Their Transaction Data Within One Hour of Trade Execution**

July 30, 2001.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934

("Act"),<sup>1</sup> notice is hereby given that on June 11, 2001, the Government Securities Clearing Corporation ("GSCC") 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 GSCC. 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**

To encourage use of its Real-Time Trade Matching ("RTTM") service, GSCC is proposing to impose a fee on members that do not submit their trade data within one hour of trade execution. Specifically, if a member does not submit all of the transactions in its account within one hour of trade execution, at the end of each month GSCC will charge 5 cents per side of a transaction other than a repo transaction or per repo transaction for each transaction in the account.

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

In its filing with the Commission, GSCC 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. GSCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.<sup>2</sup>

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

During the latter part of 2000, GSCC implemented an interactive messaging facility for GSCC-eligible securities transactions. This facility has provided members with the ready ability to submit trade input on an automated basis to GSCC intraday as trades are executed. The facility will allow GSCC to establish an RTTM service which will provide straight-through processing by allowing for the prompt and easy identification and resolution of trades intraday to achieve 100 percent comparison. GSCC believes that interactive messaging and RTTM

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> The Commission has modified the text of the summaries prepared by GSCC.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A)(ii)

<sup>4</sup> 17 C.F.R. 240.19b-4(f)(2).

<sup>5</sup> 17 CFR 200.30-3(a)(12)