

prior to the thirtieth day after the date of publication of notice in the **Federal Register**. The Commission notes that granting accelerated approval to the proposal will allow the Amex to commence trading of NNM securities on a UTP basis in a timely fashion. Therefore, the Commission finds that granting accelerated approval to the proposed rule change is appropriate and consistent with section 19(b)(2) of the Act.¹¹

IV. Amendment No. 1

The Commission finds good cause for approving Amendment No. 1 prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**. In Amendment No. 1, in addition to making technical, non-substantive changes to the rule text to correct minor errors contained therein, the Exchange deleted paragraph (j)(i)(A) for proposed Amex Rule 118. This provision stated that the bid or offer in another market center will be considered in determining the qualified national best bid or offer only if it is no more than 25 cents above the bid or below the offer disseminated by the Amex.

The Commission believes that this change to the proposal was necessary so that bids and offers from other market centers in NNM securities that better the quote disseminated by the Amex would be considered in determining the qualified NBBO for odd-lots. The Commission believes that it would be inconsistent with the Act to allow broker-dealers to ignore quotes from other markets simply because they are better than the Amex quote by a designated amount.

In sum, the Commission finds that this change is consistent with section 6(b)(5) of the Act¹² in that it will facilitate transactions in odd-lot orders, help ensure the economically efficient execution of these transactions, and in general protect investors and the public interest. The Commission also finds that the Amex's proposed changes in Amendment No. 1 further strengthen and clarify the proposed rule change and eliminate a potential regulatory issue. Therefore, the Commission finds that granting accelerated approval to Amendment No. 1 is appropriate and consistent with section 19(b)(2) of the Act.¹³

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and

arguments concerning Amendment No. 1, including whether the proposed amendment 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 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-2002-56 and should be submitted by August 30, 2002.

VI. Conclusion

For the foregoing reasons, the Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder. Moreover, the Commission finds that there is good cause to grant accelerated approval to the proposed rule change and Amendment No. 1 on a pilot basis, to expire six months from the date of this order.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,¹⁴ that the proposed rule change and Amendment No. 1 thereto (SR-Amex-2002-56) are approved on an accelerated basis.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹⁵

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46308; File No. SR-CBOE-2001-66]

Self-Regulatory Organizations; Order Granting Approval to a Proposed Rule Change by the Chicago Board Options Exchange, Inc. Relating to Registration Filing Requirements of Associated Persons of Member Organizations

August 2, 2002.

I. Introduction

On December 17, 2001, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change to amend the CBOE Fee Schedule and CBOE Rules 2.22 (Other Fees or Charges), 3.6A (Qualification and Registration of Certain Associated Persons), 9.2 (Registration of Options Principals), and 9.3 (Registration and Termination of Representatives) relating to the registration filing requirements of associated persons of member organizations. The Exchange filed an amendment to its proposal on April 22, 2002.³ The Exchange filed a second amendment to its proposal on May 29, 2002.⁴ The proposed rule change and Amendments Nos. 1 and 2 were published for comment in the **Federal Register** on June 18, 2002.⁵ The Commission did not receive any comment letters regarding the proposal. This order approves the proposed rule change, as amended, and sets an effective date for the proposed rule change of September 20, 2002.

II. Description of the Proposed Rule Change

The purpose of the proposed rule change is to allow for associated persons of CBOE member firms that are not members of NASD to register their qualification status electronically via NASD's Web CRD System ("Web CRD"). Currently, the Exchange requires those associated persons of member

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Nancy L. Nielsen, Director of Arbitration and Assistant Secretary, CBOE, to Nancy Sanow, Assistant Director, Division of Market Regulation, Commission (April 19, 2002) ("Amendment No. 1").

⁴ See letter from Christopher R. Hill, Attorney II, Legal Department, CBOE, to Nancy Sanow, Assistant Director, Division of Market Regulation, Commission (May 29, 2002) ("Amendment No. 2").

⁵ See Securities Exchange Act Release No. 46062 (June 11, 2002), 67 FR 41552.

¹¹ 15 U.S.C. 78s(b)(2).

¹² 15 U.S.C. 78f(b).

¹³ 15 U.S.C. 78s(b)(2).

¹⁴ 15 U.S.C. 78s(b)(2).

¹⁵ 17 CFR 200.30-3(a)(12).

organizations that are members of the CBOE, but are not NASD members, to manually register for a qualification status by filing a hard copy Form U-4. In addition, a hard copy Form U-5 must be filed with the Exchange within 30 days of the registered person's termination or within 30 days after the member organization learns of any facts or circumstances that would give rise to an amendment.

The CBOE has established an arrangement with NASD to allow CBOE members that are not NASD members to register associated persons electronically with the CBOE through Web CRD. The CBOE believes that this revision to the current registration process will benefit those persons seeking and/or maintaining registrations with the CBOE in that hard copy filings will no longer need to be sent to the Exchange. In addition, all registration and disclosure data will be consolidated into one database, Web CRD, thus allowing members and member organizations access to the member's associated persons' records. Processing associated persons of these non-NASD member firms in Web CRD should make information about them more readily available to regulators and allow for closer monitoring of these firms and their associated persons. In addition, this arrangement will establish a method to allow registered persons to be notified and satisfy the Continuing Education Regulatory Requirement pursuant to CBOE Rule 9.3A.

The proposed rule change also implements fees to be imposed upon non-NASD Exchange members and member organizations, which members will be instructed to pay directly to NASD through the Web CRD system at the time the Exchange member/member organization effects a registration transaction through Web CRD. These fees include: (a) A Non-Member Processing Fee of \$85.00; (b) a Disclosure Processing Fee of \$95.00; (c) an Annual System Processing Fee of \$30.00; and (d) Fingerprint Processing Fees.

Once the transition to the Web CRD is completed, all Exchange members and member organizations that are not members of the NASD will be subject to these Web CRD fees, which will be set forth on the Exchange Fee Schedule. In addition, all registered persons will continue to be assessed CBOE registration fees as outlined in CBOE Rule 2.22(b)—*Other Fees or Charges, (Registration Fees)*.

The proposed rule change amends Rule 9.3(a) to eliminate obsolete language, and to clarify the requirements for registration by

associated persons of members of other national securities exchanges, by deleting language that will no longer be applicable when such associated persons effect their registration via Web CRD. In addition, the proposed rule change eliminates Interpretations .01 and .02 to Rule 9.3, as the appropriate portions have been incorporated into Rule 9.3 itself.

III. Discussion

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange.⁶ In particular, the Commission finds that the proposed rule change is consistent with section 6 of the Act.⁷ Specifically, the Commission finds that the proposed rule change is consistent with section 6(b)(4) of the Act,⁸ which requires that the rules of an Exchange provide for the equitable allocation of reasonable dues, fees, and other charges among its members. In addition, the Commission finds that the proposed rule change is consistent with section 6(b)(5) of the Act,⁹ which requires, among other things, that the Exchange's rules be designed to promote just and equitable principles of trade, to foster cooperation and coordination with persons regulating transactions in securities, and, in general, to protect investors and the public interest. The Commission believes that the proposed rule change should enhance the ability of regulators to monitor broker-dealers and their associated persons.

IV. Conclusion

For the foregoing reasons, the Commission finds that the proposal is consistent with the requirements of the Act and rules and regulations thereunder.

It is therefore ordered, pursuant to section 19(b)(2) of the Act,¹⁰ that the proposed rule change (SR-CBOE-2001-66) is approved and shall become effective on September 20, 2002.

⁶ In approving this proposal, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁷ 15 U.S.C. 78f.

⁸ 15 U.S.C. 78f(b)(4).

⁹ 15 U.S.C. 78f(b)(5).

¹⁰ 15 U.S.C. 78s(b)(2).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46311; File No. SR-EMCC-2002-01]

Self-Regulatory Organizations; Emerging Markets Clearing Corporation; Notice of Filing of a Proposed Rule Change To Expand the Types of Instruments Eligible for Processing

August 5, 2002.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on January 10, 2002, Emerging Markets Clearing Corporation ("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 primarily 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 Terms of Substance of the Proposed Rule Change

The proposed change to EMCC's Rules would expand the types of instruments eligible for processing by EMCC to include emerging market debt that meets certain criteria. These additional eligible instruments would be defined in a new definition section of Rule 1 titled "eligible corporate debt."

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.²

¹¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified parts of these statements.