

limited clearing and settlement services to Phlx members.<sup>3</sup>

In December 1997, the Commission approved proposed rule changes that implemented the Agreement.<sup>4</sup> These rule changes reflected Philadep's withdrawal from the depository business and temporarily approved for one year SCCP's restructured and limited clearance and settlement business.<sup>5</sup> Subsequently, the Commission has extended the temporary approval several times so that SCCP could continue to offer restructured and limited clearance and settlement services.<sup>6</sup>

#### *B. SCCP's Proposed Rule Change*

In its current rule filing, SCCP proposed that the Commission permanently approve SCCP's limited clearance and settlement business. SCCP believes that its restructured operations have functioned consistent with its original proposed rule change and are functioning well under actual working conditions.

Accordingly, because this proposed rule change would not result in any substantive or textual changes to its rules or its restructured operations, SCCP will continue to offer the same services as it has been since the 1997 rule changes took affect. Specifically, SCCP will continue to offer trade confirmation and recording services to Phlx members effecting transactions through what SCCP refers to as regional interface operations ("RIO") accounts

<sup>3</sup> This Agreement was executed in connection with Phlx's withdrawal from the securities depository business (offered by its wholly-owned subsidiary, Philadep) and Phlx's restructured and limited clearance and settlement business (offered by its wholly-owned subsidiary, SCCP).

<sup>4</sup> Securities Exchange Act Release No. 39444 (Dec. 11, 1997), 62 FR 66703 (Dec. 19, 1997) [File Nos. SR-TC-97-16, SR-NSCC-97-08, SR-Philadep-97-04, and SR-SCCP-97-04].

<sup>5</sup> At that time, the Commission stated that "because a part of SCCP's proposed rule change concerns the restructuring of SCCP's operations to enable SCCP to offer limited clearing and settlement services to certain Phlx members, the Commission finds that it is appropriate to grant only temporary approval to the portion of SCCP's proposed rule change that amends SCCP's By-Laws, Rules, or Procedures. This will allow the Commission and SCCP to see how well SCCP's restructured operations are functioning under actual working conditions and to determine whether any adjustments are necessary. Thus, the Commission is approving the portion of SCCP's proposal that amends its By-Laws, Rules and Procedures through Dec. 31, 1998."

<sup>6</sup> Securities Exchange Act Release Nos. 40872 (Dec. 31, 1998), 64 FR 1264 (Jan. 8, 1999) [File No. SR-SCCP-98-05]; 42320 (Jan. 6, 2000), 65 FR 2218 (Jan. 13, 2000) [File No. SR-SCCP-99-04]; 43781 (Dec. 28, 2000), 66 FR 1167 (Jan. 5, 2001) [File No. SR-SCCP-00-05]; 45227 (Jan. 3, 2002), 67 FR 1259 (Jan. 9, 2002) [File No. SR-SCCP-2001-11]; and 47016 (Dec. 17, 2000), 67 FR 78556 (Dec. 24, 2002) [File No. SR-SCCP-2001-12].

and ex-clearing accounts. SCCP will not provide clearing guarantees for these transactions. In addition, SCCP will also continue to provide margin accounts for margin members that clear and settle their transactions through SCCP's Omnibus Clearance and Settlement Account at NSCC.<sup>7</sup>

#### **II. Discussion**

Section 17A(b)(3)(F) of the Act<sup>8</sup> requires, among other things, that the rules of a clearing agency are designed to promote the prompt and accurate clearance and settlement of securities transactions. The Commission finds that SCCP's proposed rule change is consistent with SCCP's obligations under section 17A(b)(3)(F) of the Act because permanently approving the rules relating to SCCP's restructured business should eliminate any uncertainty about and therefore provide greater confidence in SCCP's long-term ability and commitment to provide prompt and accurate clearance and settlement services to the securities industry. In addition, since the proposed rule change does not alter any of SCCP's rules or structure of its services and in light of SCCP's actual performance since 1997, SCCP should be able to provide for the prompt and accurate clearance and settlement of securities transactions.

#### **III. Conclusion**

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of section 17A of the Act<sup>9</sup> 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-SCCP-2003-04) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>10</sup>

**Margaret H. McFarland,**

*Deputy Secretary.*

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<sup>7</sup> For a detailed discussion of the clearance and settlement services SCCP will continue to provide, refer to the notice, *supra* note 2.

<sup>8</sup> 15 U.S.C. 78q-1(b)(3)(F).

<sup>9</sup> 15 U.S.C. 78q-1.

<sup>10</sup> 17 CFR 200.30-3(a)(12).

#### **DEPARTMENT OF STATE**

##### **[Public Notice 4575]**

#### **Bureau of Educational and Cultural Affairs Request for Grant Proposals: Middle East Partnership Initiative (MEPI) U.S. Business Internship Program for Young Middle Eastern Women**

**SUMMARY:** The Office of Academic Exchange Programs of the Bureau of Educational and Cultural Affairs announces an open competition for Middle East Partnership Initiative (MEPI) U.S. Business Internship Program for Young Middle Eastern Women. Public and private non-profit organizations meeting the provisions described in Internal Revenue Code section 26 U.S.C. 501(c)(3) may submit proposals to administer the participant preparation and support component of the Middle East Partnership Initiative (MEPI) U.S. Business Internship Program for Young Middle Eastern Women for participants from Algeria, Bahrain, Egypt, Iraq (excluding Iraqi expatriates), Israel (limited to the Israeli Arab sector), Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, West Bank/Gaza and Yemen. ECA anticipates supporting 40 participants with \$1,580,000 in funding through MEPI. Participants will be placed in three- or six-month management internships or three-month entry-level internships, depending on professional experience.

**Important Note:** This Request for Grant Proposals contains language in the "Shipment and Deadline for Proposals" section that is significantly different from that used in the past. Please pay special attention to procedural changes as outlined.

#### **Program Information**

##### *Overview*

Subject to the availability of funds, the Bureau of Educational and Cultural Affairs (ECA) requests proposals for the administration of the participant preparation and support component of the Middle East Partnership Initiative (MEPI) U.S. Business Internship Program for Young Middle Eastern Women for participants from Algeria, Bahrain, Egypt, Iraq (excluding Iraqi expatriates), Israel (limited to the Israeli Arab sector), Jordan, Kuwait, Lebanon, Morocco, Oman, Qatar, Saudi Arabia, Syria, Tunisia, United Arab Emirates, West Bank/Gaza and Yemen. ECA anticipates supporting 40 participants with \$1,580,000 in funding through MEPI. Participants will be placed in three- or six-month management