

SR-SCCP-2003-06

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, DC 20549

Form 19b-4

Proposed Rule Change by
STOCK CLEARING CORPORATION OF PHILADELPHIA.

Pursuant to Rule 19b-4 under
the Securities Exchange Act of 1934

1. Text of the Proposed Rule Change

Stock Clearing Corporation of Philadelphia (“SCCP”) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (“Act”)¹ and Rule 19b-4 thereunder,² proposes to amend its schedule of dues, fees and charges to provide that fees, credits and discounts which apply to Philadelphia Stock Exchange (“Phlx” or “Exchange”) remote competing specialists will also be applicable to Phlx primary remote specialists.³ This proposed rule change is to become effective upon Commission approval of the Phlx’s proposed rule change to permit primary remote specialists.⁴

A notice of the proposed rule change for publication in the Federal Register is attached hereto as Exhibit 1 and a copy of SCCP’s schedule of dues, fees and charges is attached hereto as Exhibit 2.

2. Procedures of the Self-Regulatory Organization

The SCCP Board of Directors approved the proposal for filing with the Securities and Exchange Commission (“Commission”) on March 27, 2003.

Questions and comments on the proposed rule change may be directed to Carla Behnfeldt, Director, Legal Department New Product Development Group, Philadelphia Stock Exchange, Inc. (“Phlx”), at (215) 496-5208 or Edith Hallahan, Deputy General Counsel, Phlx, at (215) 496-5179.

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ SCCP notes that Phlx is also filing a proposed rule change regarding fees to be charged in connection with the proposed expansion of the remote specialist program to include remote primary specialists. See SR-Phlx-2003-78.

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

a. Purpose

On August 6, 2002, SCCP amended its fee schedule to: (1) adopt new fees relating to remote competing specialists on the Phlx, and (2) to provide that certain existing fees and discounts applicable to Phlx specialists will not apply to remote competing specialists.⁵ Because at that time the Phlx's remote specialist program was to be limited to remote competing (as opposed to primary) specialists, that proposed rule change applied only to Phlx remote competing specialists.⁶

Phlx has now filed a proposed rule change to expand its remote specialist program to include remote primary specialists in addition to remote competing specialists. The purpose of this SCCP proposed rule change is to apply the same fees, credits and discounts applicable to remote competing specialists to remote primary specialists. Accordingly, the text of SCCP's fee schedule is amended by the deletion of the word "competing" in items 2, 3, 4 and 13, and in the first time that the word appears in the final sentence of the schedule. All existing references to "remote specialists" on SCCP's fee schedule will now be construed to include both remote primary specialists and remote competing specialists.⁷

⁴ That proposed rule change, SR-Phlx-2003-10, has been published in the Federal Register for notice and comment. See Securities Exchange Act Release No. 48515 (September 22, 2003), 68 FR 56031 (September 29, 2003).

⁵ See Securities Exchange Act Release No. 46513 (September 18, 2002), 67 FR 60276 (September 25, 2002) (File No. SR-SCCP-2002-03).

⁶ See Phlx Rule 461, PACE Remote Specialist, and Securities Exchange Act Release No. 45184 (December 21, 2001), 67 FR 622 (January 4, 2002) (approving SR-Phlx-2001-98).

b. Statutory Basis

The proposed rule change is consistent with Section 17A(b)(3)(D) of the Act⁸ because it provides for the equitable allocation of reasonable dues, fees, and other charges among its participants, in that the fees apply equally to all SCCP participants with remote specialist operations or which clear for remote specialists.

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

SCCP does not believe that the proposed rule change will impose any inappropriate burden on competition.

5. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

No written comments were either solicited or received.

6. Extension of Time Period for Commission Action

SCCP does not consent to an extension of the time period for Commission action.

7. Basis for Summary Effectiveness Pursuant to Section 19(b)(3) or for Accelerated Effectiveness Pursuant to Section 19(b)(2)

The foregoing proposed rule change has been designated as a fee change pursuant to Section 19(b)(3)(A)(ii) of the Act⁹ and Rule 19b-4(f)(2)¹⁰ thereunder. Accordingly, the proposal will take effect upon filing with the Commission. 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.

⁷ This filing also makes a technical correction by changing the footnote number from “1” to “2” in the caption to Item 4 of the fee schedule.

⁸ 15 U.S.C. 78q-1(b)(3)(D).

⁹ 15 U.S.C. 78(s)(b)(3)(A)(ii).

¹⁰ 17 CFR 240.19b-4(f)(2).

8. Proposed Rule Change Based on Rules of Another Self-Regulatory Organization or of the Commission

The proposed rule change is not based on the rules of another self-regulatory organization or of the Commission.

9. Exhibits

1. Notice of proposed rule for publication in the Federal Register.
2. SCCP Fee Schedule.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, Stock Clearing Corporation of Philadelphia has duly caused this filing to be signed on its behalf by the undersigned thereunto duly authorized officer.

STOCK CLEARING CORPORATION OF PHILADELPHIA

By: _____
Murray Ross
Vice President and Secretary

Date: _____

Exhibit 1

SECURITIES AND EXCHANGE COMMISSION
(Release No. _____ ; File No. SR-SCCP-2003-06)

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by Stock Clearing Corporation of Philadelphia Relating to Fees for Philadelphia Stock Exchange Remote Specialists

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 _____ 2003, Stock Clearing Corporation of Philadelphia ("SCCP") 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 SCCP. 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

SCCP, pursuant to Section 19(b)(1) of the Act³ and Rule 19b-4 thereunder,⁴ proposes to amend its schedule of dues, fees and charges to provide that fees, credits and discounts which apply to Philadelphia Stock Exchange ("Phlx" or "Exchange") remote competing specialists will also be applicable to Phlx primary remote specialists.⁵ This proposed rule change is to become

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ 15 U.S.C. 78s(b)(1).

⁴ 17 CFR 240.19b-4.

⁵ SCCP notes that Phlx is also filing a proposed rule change regarding fees to be charged in connection with the proposed expansion of the remote specialist program to include remote primary specialists. See SR-Phlx-2003-78.

effective upon Commission approval of the Phlx's proposed rule change to permit primary remote specialists⁶

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

In its filing with the Commission, SCCP 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. SCCP 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

i. Purpose

On August 6, 2002, SCCP amended its fee schedule to: (1) adopt new fees relating to remote competing specialists on the Phlx, and (2) to provide that certain existing fees and discounts applicable to Phlx specialists will not apply to remote competing specialists.⁷ Because at that time the Phlx's remote specialist program was to be limited to remote competing (as opposed to primary) specialists, that proposed rule change applied only to Phlx remote competing specialists.⁸

⁶ That proposed rule change, SR-Phlx-2003-10, has been published in the Federal Register for notice and comment. See Securities Exchange Act Release No. 48515 (September 22, 2003), 68 FR 56031 (September 29, 2003).

⁷ See Securities Exchange Act Release No. 46513 (September 18, 2002), 67 FR 60276 (September 25, 2002) (File No. SR-SCCP-2002-03).

⁸ See Phlx Rule 461, PACE Remote Specialist, and Securities Exchange Act Release No. 45184 (December 21, 2001), 67 FR 622 (January 4, 2002) (approving SR-Phlx-2001-98).

Phlx has now filed a proposed rule change to expand its remote specialist program to include remote primary specialists in addition to remote competing specialists. The purpose of this SCCP proposed rule change is to apply the same fees, credits and discounts applicable to remote competing specialists to remote primary specialists. Accordingly, the text of SCCP's fee schedule is amended by the deletion of the word "competing" in items 2, 3, 4 and 13, and in the first time that the word appears in the final sentence of the schedule. All existing references to "remote specialists" on SCCP's fee schedule will now be construed to include both remote primary specialists and remote competing specialists.⁹

ii. Statutory Basis

The proposed rule change is consistent with Section 17A(b)(3)(D) of the Act¹⁰ because it provides for the equitable allocation of reasonable dues, fees, and other charges among its participants, in that the fees apply equally to all SCCP participants with remote specialist operations or which clear for remote special lists.

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

SCCP does not believe that the proposed rule change will impose any inappropriate 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 were either solicited or received.

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

⁹ This filing also makes a technical correction by changing the footnote number from "1" to "2" in the caption to Item 4 of the fee schedule.

¹⁰ 15 U.S.C. 78q-1(b)(3)(D).

The foregoing proposed rule change has been designated as a fee change pursuant to Section 19(b)(3)(A)(ii) of the Act¹¹ and Rule 19b-4(f)(2)¹² thereunder. Accordingly, the proposal will take effect upon filing with the Commission. 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.

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 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 SCCP. All submissions should refer to File No. SR-SCCP-2003-06 and should be submitted by [insert 21 days from date of publication].

¹¹ 15 U.S.C. 78(s)(b)(3)(A)(ii).

¹² 17 CFR 240.19b-4(f)(2).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹³

Margaret H. McFarland
Deputy Secretary

¹³ 17 CFR 200.30-3(a)(12).

Exhibit 2*New Text Underlined; Deleted Text Bracketed***STOCK CLEARING CORPORATION OF PHILADELPHIA FEE SCHEDULE****1. ACCOUNT FEES**

Maintenance Fee	\$150.00 per month (20 or fewer trades per month) \$250.00 per month(over 20 trades per month) \$650.00 per month (specialist)
Additional Suffix	\$32.00 per month per suffix

2. TRADE RECORDING FEES (except ECNs+, remote [competing] specialists, and QQQ fees)

Regular Trades	\$ 0.47 per side
PACE Trades ¹	No Charge
Specialist Trades Matching With PACE Trades*	\$0.27 per side for the first 2,500 trades per month \$0.10 per side for trades in excess of 2,500 per month
eVWAP tm Trades	\$0.30 per side
Yellow Tickets	\$0.47 per side

3. VALUE FEES (except ECNs+ and remote [competing] specialists)

Rio Accounts	\$0.05 per \$1,000 of contract value
Margin Accounts*	\$0.035 per \$1,000 of contract value
PACE Trades ¹	None
Maximum Value Charge*	\$25.00 per trade per side

+ECNs shall mean any electronic system that widely disseminates to third parties orders entered therein by an Exchange market maker or over-the-counter (“OTC”) market maker, and permits such orders to be executed against in whole or in part; except that the term ECN shall not include: any system that crosses multiple orders at one or more specified times at a specified price set by the ECN, algorithm, or by any derivative pricing mechanism and does not allow orders to be crossed or executed against directly by participants outside of such times; or, any system operated by or on behalf of an OTC market-maker or exchange market-maker that executes customer orders primarily against the account of such market maker as principal, other than riskless principal.

¹ In connection with PACE trades, trade recording fees and value fees apply where an order, after being delivered to the Philadelphia Stock Exchange, Inc. by the PACE system is executed by way of an outbound ITS commitment, when such outbound ITS commitment reflects the PACE order’s clearing information, but do not apply where a PACE trade was executed against an inbound ITS commitment.

STOCK CLEARING CORPORATION OF PHILADELPHIA FEE SCHEDULE

4. SPECIALIST (OTHER THAN REMOTE [COMPETING] SPECIALISTS) DISCOUNTS FOR TRADES CLEARED THROUGH A SCCP MARGIN ACCOUNT^{*11}

Volume Level Discount (including PACE trades)	Discount Per side
2,501 to 10,000 sides per month	\$0.05
10,001 to 15,000 sides per month	\$0.10
15,001 to 20,000 sides per month	\$0.15
20,001 to 25,000 sides per month	\$0.20
25,001 to 30,000 sides per month	\$0.25
30,001 to 35,000 sides per month	\$0.30
35,001 to 40,000 sides per month	\$0.35
40,001 and over	\$0.40

5. TREASURY TRANSACTIONS (except ECNs+)

Per trade transaction	\$40.00 (plus pass through costs)
Per transfer	\$10.00 (plus pass through costs)

6. MARGIN ACCOUNT INTEREST

Charge on net debit balances	½% above bank broker call rate
------------------------------	--------------------------------

7. RESEARCH FEES

Per photocopy of input forms	\$4.00
Per microfiche copy	\$4.00
Items less than 90 days old	No charge
Items 1 year old or less	\$15.00 per hour
Items over 1 year old	\$15.00 per hour, \$25.00 minimum, plus archive retrieval costs

¹¹ For SCCP participant firms engaged in a merger, acquisition, consolidation or other similar business combination, such firms may combine their respective volumes when determining the applicable discount for the month. SCCP Participants eligible for the combined discounts are required to request the combined volume level discounts within 30 days after the issuance of the SCCP invoice for the month in which such business combination occurs.

STOCK CLEARING CORPORATION OF PHILADELPHIA FEE SCHEDULE**8. COMPUTER TRANSMISSIONS/TAPES**

Purchase and Sale Trade Data (daily)	\$100.00 per month
Purchase and Sale Trades plus T+2 Settling Trades (daily)	\$150.00 per month
Miscellaneous	\$150.00 per month; includes 6 tapes/transmissions
	\$ 25.00 per additional tape/transmission

9. P&L STATEMENT CHARGES

\$0.01 per line

10. BUY-INS

\$5.00 per item

11. PACE SPECIALIST CREDIT*\$0.20 per PHLX Specialist's Trade
against PACE Executions

STOCK CLEARING CORPORATION OF PHILADELPHIA FEE SCHEDULE**12. NASDAQ 100 TRUST, SERIES 1 (“QQQ”), and Standard & Poor’s Depository Receipts® (SPDRs) and DIAMONDS® Exchange Traded Funds (“DIAMONDS® ”).# (except ECNs+)**

Non-Specialist	\$0.30 per trade side (Non-PACE Executions; No Charge for PACE Executions)
Specialist	\$0.50 per trade (for the first 1,000 trades)* \$0.25 per trade (for all subsequent trades, no further volume discounts)*

13. SCCP TRANSACTION CHARGE (REMOTE [COMPETING] SPECIALISTS ONLY)

\$0.30/round lot trade per side.
\$0.10/odd-lot trade per side.
The combination of these fees is capped at \$100,000/month. For purposes of this fee, an odd-lot is defined as a trade under 100 shares, whereas a round-lot is defined as a trade of 100 shares or over.

*Denotes fees not applicable to Specialist trades matching with PACE trades on the opening.

The Nasdaq-100®, Nasdaq-100 Index®, Nasdaq® The Nasdaq Stock Market®, Nasdaq 100 Sharessm, Nasdaq-100 Trustsm, Nasdaq-100 Index Tracking Stocksm and QQQsm are trademarks or service marks of The Nasdaq Stock Market, Inc. (Nasdaq) and have been licensed for use for certain purposes by the Philadelphia Stock Exchange pursuant to a License Agreement with Nasdaq. The Nasdaq-200 Index® (the Index) is determined, composed, and calculated by Nasdaq without regard to the Licensee, the Nasdaq-100 Trustsm, or the beneficial owners of Nasdaq-100 Sharessm. Nasdaq has complete control and sole discretion in determining, comprising or calculating the Index or in modifying in any way its method for determining, comprising or calculating the Index in the future.

Standard & Poor's®, "S&P®", "S&P 500®", "Standard & Poor's 500®", and "500" are trademarks of The McGraw-Hill Companies, Inc., and have been licensed for use by the Philadelphia Stock Exchange, Inc., in connection with the listing and trading of SPDRs, on the Phlx. These products are not sponsored, sold or endorsed by S&P, a division of The McGraw-Hill Companies, Inc., and S&P makes no representation regarding the advisability of investing SPDRs.

Dow Jones®, "The DowSM", "Dow 30SM", "Dow Jones Industrial AverageSM", "Dow Jones IndustrialsSM", "DJIASM", "DIAMONDS®" and "The Market's Measure®" are trademarks of Dow Jones & Company, Inc. ("Dow Jones") and have been licensed for use for certain purposes by the Philadelphia Stock Exchange, Inc., pursuant to a License Agreement with Dow Jones. The DIAMONDS Trust, based on the DJIA, is not sponsored, endorsed, sold or promoted by Dow Jones, and Dow Jones makes no representation regarding the advisability of investing in the DIAMONDS Trust.

Except as provided herein with respect to remote [competing] specialists, any fees, credits, discounts and other charges applicable to specialists in SCCP's fee schedule will apply to all equity specialists, including competing specialists.