

discrimination between customers, issuers, brokers or dealers.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange believes that the proposed rule change will impose no 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 solicited or received with respect to the proposed rule change.

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

Within 35 days of the date of publication of this notice in the Federal Register or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the Amex consents, the Commission will:

(A) By order approve such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., Washington, D.C. 20549. 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 Section, 450 Fifth Street NW., Washington, D.C. 20549. 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-95-57 in the caption above and should be submitted by April 29, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,
Deputy Secretary.

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[Release No. 34-37052; File No. SR-CBOE-96-22]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Incorporated Relating to the Effective Date of the Standing Assurance Provision Relating to the Requirement to Make Prior Arrangements or Obtain Other Assurances Before Short Selling

March 29, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on March 29, 1996, the Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the CBOE. 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 CBOE hereby gives notice that it proposes to change the effective date of a certain aspect of a rule change, Interpretation .04 to Rule 30.20, previously approved by the Commission.¹ The previously approved rule change relates to the requirement to make prior arrangements to borrow stock or to obtain other assurances that delivery can be made on settlement date before a member or person associated with a member may sell short. Specifically, the CBOE proposes to delay, until May 10, 1996, the effectiveness of that portion of Interpretation .04 to Rule 30.20 that prohibits CBOE members from using blanket assurances that securities are available for borrowing to satisfy their affirmative determination requirements.

The text of the proposed rule change is available at the office of the Secretary, CBOE and at the Commission.

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

In its filing with the Commission, the CBOE 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. The CBOE 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

The purpose of this rule proposal is to delay the effectiveness of a certain aspect of a rule change previously approved by the Commission relating to the requirement to make prior arrangements to borrow stock, warrants, or other securities that trade subject to Chapter 30 of the Exchange's rules, or to otherwise ensure availability of the subject securities before engaging in short sales. Specifically, the CBOE proposes to delay, until May 10, 1996, the effectiveness of that portion of the rule change that prohibits CBOE members from using blanket or standing assurances that securities are available for borrowing to satisfy their affirmative determination requirements.

The Exchange delayed the effectiveness of this provision while the NASD determined how to address the feedback from a broad spectrum of members who believed that the standing assurance provisions created an unnecessarily burdensome regulatory requirement on NASD members. Since that time, the NASD has adopted a new rule that would allow members to rely on standing assurances in certain circumstances. The CBOE has decided to adopt the same provision for its short sale rule. However, because the deadline for the earlier delay in effectiveness of March 30, 1996 has nearly arrived, the Exchange is again delaying the effectiveness of the standing assurance provision until May 10, 1996 in order to allow it to submit a rule change that brings CBOE's rule into conformity with that of the NASD.

By delaying the effectiveness of the standing assurance provision until May 10, 1996, this rule proposal will allow the Commission to present the proposal for public comment and will ensure that the CBOE rule can be made consistent with a similar rule of the NASD.

⁹ 17 CFR 200.30-3(a)(12).

¹ See Securities Exchange Act Release No. 36245 (Nov. 27, 1995), 60 FR 62273 (Dec. 5, 1995).

Therefore, CBOE represents that the proposed rule change is consistent with Section 6 of the Act, in general, and furthers the objectives of Section 6(b)(4) of the Act in particular, in that it is designed by the Exchange as constituting a stated policy with respect to the enforcement of an existing rule.

(B) Self-Regulatory Organization's Statement on Burden on Competition

The Exchange 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 solicited or received with respect to the proposed rule change.

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

Because the foregoing rule change constitutes a stated policy, practice or interpretation with respect to the enforcement of an existing CBOE rule, it has become effective pursuant to Section 19(b)(3)(A) of the Act and subparagraph (e) of Rule 19b-4 thereunder. 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. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549. 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 Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for

inspection and copying at the principal office of the CBOE. All submissions should refer to the File No. SR-CBOE-96-22 and should be submitted by April 29, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²

Margaret H. McFarland,
Deputy Secretary.

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[Release No. 34-37049; File No. SR-CBOE-96-14]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to the Telephone Policy for the S&P 100 ("OEX") Options Post

March 29, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on March 12, 1996, the Chicago Board Options Exchange, Incorporated ("CBOE" or "Exchange") 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 the self-regulatory organization. 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 Exchange proposes to amend its policy governing the use of member-owned or Exchange-owned telephones located at the trading post where options on the Standard & Poor's 100 Stock Index ("OEX Options") are traded² by relaxing the restriction on the use of the telephones to receive orders and by relaxing the prohibition on the use of post telephones to receive incoming calls. In addition, the Exchange is amending Rule 6.70 to make clear that a Floor Broker may receive orders from non-member

registered broker-dealers without satisfying the additional requirements necessary to take orders from public customers.

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

In its filing with the Commission, the self-regulatory organization 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. The self-regulatory organization 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

The purpose of the proposed rule change is to amend the Exchange's regulatory circular governing the use of telephones at the OEX trading post in two respects. First, the Exchange is relaxing the prohibition against brokers taking orders over the post telephones. Floor brokers who meet the requirements to do a public customers business, including the requirement that they be registered Representatives associated with a member organization which is qualified to do a public customer business under Chapter IX of the Exchange's rules, and who are approved by the Exchange to receive such telephone orders, would be permitted to take the orders of public customers.³ Floor brokers who are not qualified to do a public customer business would still be permitted to take the orders of registered broker-dealers, after receiving Exchange approval to take such telephone orders.⁴ Only phone lines dedicated to a particular floor broker who has been approved for such use by the Exchange may be used to receive orders.

³ In addition to the SEC net capital, recordkeeping, and financial reporting requirements applicable to member organizations, a member or associated person transacting business with the public must satisfy other requirements including, receiving approval of the Membership Committee, participating in certain education programs, and passing a test concerning the handling of customer accounts.

⁴ Floor brokers who intend to receive orders only from other Exchange members or other registered broker-dealers for their own accounts need not qualify to do a public customer business under Chapter IX, but still have to apply for approval to take orders over a floor telephone.

² CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. § 78s(b)(1) (1988).

² The Regulatory Circular setting forth the OEX telephone policy initially was filed by the Exchange as SR-CBOE-95-15 (noticed in Securities Exchange Act Release No. 35725 (May 17, 1995)) on May 12, 1995, under paragraph (e)(6) of Exchange Act Rule 19b-4 and accordingly became effective upon the date of filing and operative 30 days thereafter. The Exchange decided to re-file the policy for full Commission review in SR-CBOE-95-49. That second filing was approved by the Commission on December 1, 1995 (Securities Exchange Act Release No. 36546, 60 FR 63552 (December 11, 1995)).