

exemption. The CBOE believes that the proposed rule change will better allow its member firms to meet the investing needs of their customers.

Because the proposed amendment to the firm facilitation exemption should enhance the depth and liquidity of the market by allowing member firms an exemption from position limits to facilitate large customer orders, whether they are firms who accept customer orders for execution only, or they are firms who carry their customers' accounts and positions, the Exchange believes that this rule change is consistent with and furthers the objectives of Section 6(b)(5) of the Act in that it would remove impediments to and perfect the mechanism of a free market in a manner consistent with the protection of investors and the public interest.

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

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

C. Self-Regulatory Organization's Statement on the Comments on 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 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 self-regulatory organization consents, the Commission will:

A. By order approve the 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, 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 at the Commission's Public Reference Section, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing also will be available for inspection and copying at the principal office of the CBOE. All submissions should refer to File No. SR-CBOE-96-35 and should be submitted by August 1, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Jonathan G. Katz,

Secretary.

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[Release No. 34-37394; File No. SR-DTC-96-10]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to the Processing Schedule for Deposits and Withdrawals of Government Securities

July 2, 1996.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on May 30, 1996, The Depository Trust Company ("DTC") 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 DTC. 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 rule change modifies DTC's processing schedule for deposits and withdrawals of government securities eligible for settlement through the Federal Reserve Book-Entry ("FBE") system.

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

In its filing with the Commission, DTC included statements concerning

the purpose of the 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. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

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

DTC proposes to revise the processing schedule for deposits and withdrawals of government securities eligible for settlement through the FBE system. In the past, participants depositing securities through the FBE system were required to deposit eligible securities by 12:30 p.m. Eastern Standard Time ("EST") in order to receive credit in time for the securities to be used the same day for DTC book-entry deliveries for value. As a result of recent changes in the cutoff time for the FBE system and the recent conversion by DTC to a same-day funds settlement system, DTC is able to extend from 12:30 p.m. to 2:00 p.m. EST the time by which a participant may deposit such securities through the FBE system so that the securities may be used that day for valued book-entry deliveries.

DTC is also able to extend the time by which a participant may withdraw securities eligible for the FBE system in order to make a book-entry delivery from DTC's account at the Federal Reserve Bank of New York ("FRBNY") to another FRBNY member. DTC proposes to extend the cutoff time for the withdrawal of FBE system eligible securities from 11:00 a.m. EST to 1:00 p.m. EST.

The proposed rule change is consistent with the requirements of Section 17A of the Act,³ in that the proposed rule change will promote efficiencies in the clearance and settlement of government securities transactions.

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

DTC does not believe that the proposed rule change will impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.

² The Commission has modified parts of these statements.

³ 15 U.S.C. 78q-1 (1988).

⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1) (1988).

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

Written comments from DTC participants or others have not been solicited or received.

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)(iii) of the Act⁴ and Rule 19b-4(e)(4),⁵ in that the proposal effects change in an existing service of a registered clearing agency that does not adversely affect the safeguarding of securities or funds in the custody or control of the clearing agency or for which it is responsible and does not significantly affect the respective rights or obligations of the clearing agency or persons using the service. At any time within sixty days of the filing of such 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 Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection at DTC. All submissions should refer to the File No. SR-DTC-96-10 and should be submitted by August 1, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁶

Jonathan G. Katz,

Secretary.

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[Release No. 34-37397; File No. SR-MSRB-96-03]

Self-Regulatory Organizations; Municipal Securities Rulemaking Board; Notice of Filing and Immediate Effectiveness of Proposed Rule Change Relating to the Confirmation, Clearance, and Settlement of Transactions with Customers and Calculations for Confirmation Display

July 2, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934¹ ("Act"), notice is hereby given that on May 29, 1996, the Municipal Securities Rulemaking Board ("MSRB") 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 the MSRB. 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 MSRB proposes to amend MSRB rule G-15 regarding confirmation, clearance, and settlement of transactions with customers, and MSRB rule G-33 regarding calculations for confirmation display.

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 MSRB 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 MSRB has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

⁶ 17 CFR 200.30-3(a)(12) (1995).

¹ 15 U.S.C. § 78s(b)(1) (1988).

² The Commission modified the text of the summaries prepared by the MSRB.

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

Recently, the MSRB amended rule G-15(a) regarding customer confirmations to clarify the customer confirmation requirements and to revise certain requirements regarding disclosure.³ To clarify certain provisions of the rule, a limited set of technical amendments became effective February 26, 1996.⁴

The MSRB has identified a need for two additional technical amendments to clarify certain provisions of the rule. First, revised rule G-15(a)(i)(C)(2)(a) requires dealers to disclose on the confirmation the date and price of the next pricing call.⁵ The provision also requires dealers to print a legend on the confirmation regarding additional call features if there are any call features in addition to the first pricing call. The MSRB's proposal changes the reference from the "first pricing call" to the "next pricing call" to maintain consistency of terms and to avoid confusion. Since a municipal security traded in the secondary market may be traded after the first pricing call, the term next pricing call more clearly identifies the call to be disclosed on the confirmation.

The second proposed technical amendment concerns the requirement in rule G-15(a)(i)(D)(1) to provide a three-part disclosure statement for zero coupon bonds. The rule currently states that the confirmation for zero coupon bonds shall include a statement that there are no periodic payments and that the bond is callable below maturity value without notice by mail to the holder unless registered. The proposed rule change makes clear that the last part of the disclosure statement regarding call provisions for bearer bonds is necessary on confirmation only if the bonds are both callable and available in bearer form.

The proposed rule change also updates references to revised rule G-15(a) that are contained in rule G-15(c) regarding deliveries to customers and that are contained in rule G-33

³ For a complete description of the rule change, refer to Securities Exchange Act Release No. 35953 (July 11, 1995), 60 FR 36843 [File No. SR-MSRB-95-04] (order approving proposed rule change by the MSRB relating to customer confirmations).

⁴ Securities Exchange Act Release No. 36596 (December 15, 1995), 60 FR 66571 [File No. SR-MSRB-95-18] (notice of filing and immediate effectiveness of proposed rule change relating to customer confirmations).

⁵ MSRB rule G-15 defines pricing call as a call feature that represents an "in-whole call" (i.e., a call of the entire issue) that may be used by the issuer without restriction in a refunding.

⁴ 15 U.S.C. 78s(b)(3)(A)(iii) (1988).

⁵ 17 CFR 240.19b-4(e)(4) (1995).