

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

1. Purpose

The Exchange proposes to implement guidelines for the mandatory dissemination of indications to the consolidated tape in connection with the resumption of trading following a circuit breaker halt pursuant to its Rule 117. The purposes of the proposed criteria is to provide guidance to the Exchange's specialists as to the specific circumstances under which they are required to disseminate indications if a significant decline in the price of a stock from the previous last sale on the Exchange is anticipated when trading resumes following a circuit breaker halt.

The Exchange proposes to implement the following guidelines:

- Dissemination of an indication shall be mandatory prior to the reopening of trading if such reopening will result in a price change constituting the lesser of 10% or three points from the last sale reported on the Amex, or five points if the previous reported last sale is \$100 or higher. No indications would be

trading in securities on the Exchange shall halt (a "Rule 117 halt") and not reopen for one hour if the Dow Jones Industrial Average ("DJIA") falls 250 points or more below its closing value on the previous trading day. The rule provides further that trading on the Exchange shall halt for two hours if the DJIA falls 400 points or more on that same day. Rule 117 was approved by the Commission on a pilot basis on October 19, 1988 and has been extended annually since then. See Securities Exchange Act Release No. 36414 (Oct. 25, 1995), 60 FR 55630 (Nov. 1, 1995) (Commission's most recent order extending temporary approval of Rule 117).

The Amex has filed a proposal to amend Rule 117 to reduce from one hour to thirty minutes the time period during which trading is halted due to a decline in the DJIA of 250 points below its closing value on the previous trading day, and to reduce from two hours to one hour the time period for a halt due to a 400 points decline in the DJIA. See Securities Exchange Act Release No. 37146 (April 26, 1996), 61 FR 19650 May 2, 1996). The Commission has not yet completed its review of this proposed amendment.

required if the price change is less than one point.

- If, on any day that a Rule 117 halt is in effect, trading in a security has not reopened by one-half hour after the resumption of trading on the Exchange, the matter should be treated as a delayed opening, and would require an indication as well as a Floor Official's supervision.

The Exchange has existing procedures which require dissemination of indications prior to delayed openings and reopenings following regulatory or non-regulatory halts in individual securities. The Exchange will continue to require dissemination of indications in those situations.⁴

2. Statutory Basis

The basis under the Act for this proposed rule change is the requirement under Section 6(b)(5) that an exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, to remove impediments to protect and perfect the mechanism of a free and open market and a national market system, and in general, to protect investors and the public interest.

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 either solicited or received.

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 the self-regulatory organization consents, the Commission will:

⁴ The Exchange notes that the proposed criteria are identical to those currently in place at the New York Stock Exchange ("NYSE") in connection with circuit breaker halts under NYSE Rule 80B. See Securities Exchange Act Release No. 26419 (January 5, 1989), 54 FR 1041 (January 11, 1989).

(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 will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR-Amex-96-21 and should be submitted by July 19, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-16574 Filed 6-27-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37349; File No. SR-CBOE-96-38]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Incorporated Relating to the Definition of Expiration Month for Purposes of Determining Log-On Obligations for RAES in SPX Options

June 21, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on June 20, 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

⁵ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1) (1988).

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 Organizations Statement of the Terms of Substance of the Proposed Rule Change

The CBOE proposes to amend the definition of an expiration month for purposes of determining compliance with the Retail Automatic Execution System ("RAES") log-on requirement for market makers of Standard & Poor's 500 Stock Index ("SPX") options as detailed in Rule 24.16.

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 definition of an expiration month for purposes of determining compliance with the RAES log-on requirement for market makers of SPX options as detailed in Rule 24.16. According to CBOE Rule 24.16, once a market maker logs onto SPX RAES at any time during an expiration month, he or she must continue to do so each time he or she is present in the SPX trading crowd until the next expiration. For this purpose, an expiration month currently is defined as the period from the Monday immediately following an expiration Saturday through the Friday immediately preceding the next successive expiration Saturday. In consideration of the fact that expiring SPX option contracts cease trading at the close of business on the Thursday immediately preceding an expiration and that the new near-term series becomes the RAES eligible series on that Friday, the Exchange has determined to redefine the expiration month for SPX RAES log-on obligations. Commencing on Friday, May 17, 1996, an expiration

month for SPX RAES log-on obligation purposes will be defined as the period from the Friday immediately preceding an expiration Saturday through the Thursday immediately preceding the next successive expiration Saturday. The expiration month for SPX RAES log-on obligation purposes will be defined in this manner for each expiration thereafter.

Because the proposed rule change is meant to conform more precisely the definition of SPX market makers' obligations with the expiration cycle for SPX options, the Exchange believes that the proposed rule change is consistent with Section 6 of the Act in general and with Section 6(b)(5) in particular in that it is designed to promote just and equitable principles of trade, to foster cooperation with persons engaged in facilitating and clearing transactions in securities, and to protect investors and the public interest.

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

The CBOE 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

Written comments on the proposed rule change were neither solicited nor received.

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

Because the proposed rule change constitutes a stated interpretation with respect to the meaning, administration, or enforcement of an existing 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 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 Section, 450 Fifth Street, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the above-mentioned self-regulatory organization. All submissions should refer to File No. SR-CBOE-96-38 and should be submitted by July 19, 1996.

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

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 96-16520 Filed 6-27-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37348; File No. SR-CBOE-96-19]

Self-Regulatory Organizations; Chicago Board Options Exchange, Inc.; Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendment Thereto Relating to Eligibility Requirements for Participation on the RAES System in SPX Options

June 21, 1996.

I. Introduction

On March 18, 1996, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposal to amend one of the Rule 24.16 requirements market makers in Standard & Poor's 500 Stock Index ("SPX") options must meet to qualify for participation in the Retail Automatic Execution System ("RAES"). The proposed rule change was published for comment and appeared in the Federal Register on April 15, 1996.³ No comments were received regarding the proposal. On March 27, 1996, the CBOE

² 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. § 78s(b)(1) (1988).

² 17 CFR 240.19b-4.

³ See Securities Exchange Act Release No. 37078 (April 5, 1996), 61 FR 16514.