

with persons engaged in regulating, clearing, settling, and processing information.

On October 6, 1993, the Commission adopted Rule 15c6-1 under the Act,¹² which establishes three business days after the trade date ("T+3"), instead of five business days ("T+5"), as the standard settlement cycle for most securities transactions.¹³ The rule became effective on June 7, 1995.¹⁴ Although the Commission previously approved a number of changes to the Amex's rules to conform them to the T+3 requirement of Commission Rule 15c6-1,¹⁵ Sections 510 and 512 were not amended to reflect the change in the settlement cycle.

It has been more than a year since the T+3 settlement cycle has been in operation. The current Sections 510 and 512 of the Amex's *Company Guide*, which provide for a T+5 settlement cycle, is inconsistent and incompatible with Commission's T+3 rules. Amex's current proposal will amend these sections to bring them in conformity with the mandated T+3 settlement cycle. Accordingly, the Commission believes that, because the Exchange has proposed the amendments to Sections 510 and 512 merely to reflect the T+3 cycle, the proposed rule change is consistent with the purposes of the Act.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after publication of the proposed rule change in the Federal Register. The Commission believes that accelerated approval of this portion of the proposal will benefit investors by eliminating the obsolete references to five-day settlement. Deleting the outdated references to T+5 settlement cycle as soon as possible will be beneficial because this amendment will eliminate any opportunities for confusion.

VI. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the portion of the proposed rule change (File No. SR-Amex-96-23) containing the amendments to Sections 510 and 512 of the Amex's *Company Guide* be and is hereby approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹⁶

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-20882 Filed 8-15-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37552; File No. SR-BSECC-96-02]

Self-Regulatory Organizations; Boston Stock Exchange Clearing Corporation; Notice of Filing of Proposed Rule Change To Modify Specialists' Clearing Fund Requirements

August 9, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on June 14, 1996, the Boston Stock Exchange Clearing Corporation ("BSECC") filed with the Securities Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by BSECC. On July 23, 1996, BSECC filed an amendment to the proposed rule change.² The Commission is publishing this notice to solicit comments from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the proposed rule change is to permit specialists to satisfy their clearing fund deposits through deposits required pursuant to the rules of the Boston Stock Exchange, Inc. ("Exchange").

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

In its filing with the Commission, BSECC 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.³

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

BSECC proposes to amend its Rule II, Section 1 relating to the maintenance

and purpose of BSECC's clearing fund so that the BSECC clearing fund requirements for specialists⁴ will be deemed satisfied by such specialists' liquidating equity deposits that are required pursuant to Exchange rules. Pursuant to Section 2(f), Chapter XXII of the Exchange rules, specialists must maintain a liquidating equity deposit with BSECC of \$200,000 per specialist account. Currently, Section 2 of BSECC Rule II requires that all members contribute \$6,000 to the clearing fund.⁵

BSECC believes the additional \$6,000 provides little added protection for BSECC in the event of a specialist default. Therefore, BSECC proposes to amend Rule II, Section 1 to provide that specialists will be deemed to have met their clearing fund requirement through the liquidating equity deposit and that the amount of the liquidating equity deposit equal to the required clearing fund deposit shall be deemed to be the clearing fund deposit.

Contemporaneously with this proposal, the Exchange has filed a proposed rule change (File No. SR-BSE-96-06) to amend the language of Chapter XXII, Section 2(f) of the Exchange rules to make it clear that each of the specialist's \$200,000 minimum equity requirement on deposit with BSECC is deemed to be its clearing fund deposit up to the amount required to be deposited pursuant to BSECC's rules.

BSECC believes the proposed rule change is consistent with the requirements of Section 17A of the Act⁶ and the rules and regulations thereunder because it is designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions and, in general, to protect investors and the public interest.

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

BSECC believes the proposed rule change will impose no burden on competition.

⁴ A specialist is a BSECC member that acts as a specialist on the floor of the Exchange and on whose behalf BSECC guarantees settlement of all trades executed by such member on the floor of the Exchange.

⁵ BSECC Rule II, Section 5 specifies the use and application of clearing fund. Paragraph (d) of that section provides that clearing fund may be used to discharge a member's liability to BSECC, the Exchange, or Boston Stock Exchange Service Corporation.

⁶ 15 U.S.C. 78q-1 (1988).

¹² 17 CFR 240.15c6-1.

¹³ See Securities Exchange Act Release No. 33023 (October 6, 1993), 58 FR 52891.

¹⁴ Securities Exchange Act Release No. 34952 (November 9, 1994), 59 FR 59137.

¹⁵ See Securities Exchange Act Release No. 35553 (March 31, 1995), 60 FR 18161.

¹⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1) (1988).

² Letter from Karen A. Aluisse, Assistant Vice President, BSECC, to Mark Steffensen, Division of Market Regulation, Commission (July 19, 1996).

³ The Commission has modified these summaries.

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

BSECC has neither solicited nor received comments on the proposed rule change.

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

Within thirty-five 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 ninety 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 BSECC 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 submission should file six copies thereof with the Secretary, Secretaries and Exchange Commission, 450 Fifth Street, N.W., Washington D.C. 20549. Copies of the submissions, 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 5th Street, N.W., Washington, D.C. 20549. Copies of such filings will also be available for inspection and copying at the principal office of BSECC. All submissions should refer to file number SR-BSECC-96-02 and should be submitted by September 6, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-20927 Filed 8-15-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37553; File No. SR-BSE-96-06]

Self-Regulatory Organizations; Boston Stock Exchange, Inc.; Notice of Filing of Proposed Rule Change Relating to Authorized Uses for Specialists' Minimum Equity Deposits

August 9, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on June 14, 1996, the Boston Stock Exchange, Inc. ("BSE") 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 BSE. On July 23, 1996, BSE filed an amendment to the proposed rule change.² The Commission is publishing this notice to solicit comments from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The purpose of the proposed rule change is to permit the Boston Stock Exchange Clearing Corporation ("Clearing Corporation") to use a portion of deposits made by specialists pursuant to BSE rules as clearing fund deposits.

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

In its filing with the Commission, BSE 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.³

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

BSE proposes to amend Chapter XXII, Section 2(f) of its rules to clarify the authority of the Clearing Corporation to access a portion of specialists' ⁴

liquidating equity deposits as clearing fund. Section 2(f), Chapter XXII of BSE's rules requires specialists to maintain a liquidating equity deposit of \$200,000 per specialist account ("minimum equity requirement") with the Clearing Corporation. Under the proposed rule change, Section 2(f) will be amended to provide that the minimum equity requirement may be utilized by the Clearing Corporation and will be deemed to be clearing fund up to the amount required to be deposited as clearing fund pursuant to the Clearing Corporation's rules. Such provision only applies to specialists that also are members of the Clearing Corporation.

The Clearing Corporation's rules currently require a minimum \$6,000 clearing fund deposit by its members. Contemporaneously with this proposal, the Clearing Corporation has filed a separate proposed rule change (File No. SR-BSECC-96-02) that will amend its Rule II, Section 1 regarding clearing fund. That rule proposal will permit BSE specialists to satisfy their clearing fund deposit requirements set forth in Section 2 of Clearing Corporation Rule II through use of their deposits required pursuant to BSE's minimum equity requirement.

BSE believes the proposed rule change is consistent with the requirements of Section 6(b)(5) of the Act⁵ and the rules and regulations thereunder because it is designed to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities and, in general, to protect investors and the public interest.

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

BSE believes 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

BSE has neither solicited nor received comments on the proposed rule change.

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

Within thirty-five 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

¹ 15 U.S.C. 78s(b)(1) (1988).

² Letter from Karen A. Aluisse, Assistant Vice President, BSE, to Mark Steffensen, Division of Market Regulation, Commission (July 19, 1996).

³ The Commission has modified the language in these sections.

⁴ Pursuant to Chapter XV, Section 1 of BSE rules, a member may be registered as a specialist upon application to and with the consent of BSE. A

specialist is subject to the rules contained in Chapter XIV of BSE's rules.

⁵ 15 U.S.C. 78f(b)(5) (1988).

⁷ 17 CFR 200.30-3(a)(12) (1995).