

other market disruptions. Accordingly, the Commission believes that it is consistent with Sections 6(b)(5) and 19(b)(2) of the Act to approve Amendment No. 1 to the proposed rule change on an accelerated basis.

Interested persons are invited to submit written data, views, and arguments concerning Amendment No. 1 to the rule proposal. 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-96-01 and should be submitted by October 11, 1996.

V. Conclusion

Based on the above, the Commission believes that the proposed rule changes will serve to provide market participants with greater flexibility without significantly increasing concerns regarding intermarket manipulations or disruptions of either the options market or the underlying stock market.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,⁶⁴ that the proposed rule change (SR-CBOE-96-01), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶⁵

Jonathan G. Katz,
Secretary.

[FR Doc. 96-24167 Filed 9-19-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37680]; File No. SR-CBOE-96-48]

Self-Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Order Approving Proposed Rule Change Relating to the Consolidation of Minor Rule Violation Cases Involving the Same or a Related Transaction or Occurrence

September 13, 1996.

On July 10, 1996, the Chicago Board Options Exchange, Incorporated ("CBOE") submitted a proposed rule change to the Securities and Exchange Commission ("Commission") pursuant to Section 19(b) of the Securities Exchange Act of 1934 (the "Act")¹ and Rule 19b-4 thereunder,² to permit the consolidation of, into one hearing, the review of certain conduct involving trading conduct or decorum fines levied against different members of CBOE and involving the same or related transaction or occurrence.

Notice of the proposal together with its terms of substance was given by the issuance of a Commission release³ and by publication in the Federal Register.⁴ No comments were received regarding the proposal. The rule change will save CBOE time and staff resources. Additionally, it will be less burdensome on the individuals involved, who under the previous rules often had to appear at multiple hearings, either as a subject or as a witness. The Commission finds that the proposal rule change is consistent with the requirements of the Act and the rules thereunder applicable and, in particular, the requirements of Section 6⁵ and the rules thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change be, and hereby is approved.

For the Commission, by the Division of Market Regulation pursuant to delegated authority, 17 CFR 200.30-3(a)(12).

Jonathan G. Katz,
Secretary.

[FR Doc. 96-24170 Filed 9-19-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37688; File No. SR-Phlx-96-39]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc., Relating to the Selective Quoting Facility for Foreign Currency Options

September 16, 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 August 20, 1996, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule as described in Item 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 Phlx, pursuant to Rule 19b-4 of the Act, proposes to amend the foreign currency option ("FCO") Selective Quoting Facility ("SQF"), embodied in Rule 1012, Commentary .04 and Floor Procedure Advice ("Advice") F-18, FCO Expiration Months and Strike Prices—Selective Quoting Facility, to designate two in-the-money strikes and six out-of-the-money strikes for both puts and calls as active.

The SQF establishes criteria to determine whether the bid/ask quotation for each FCO series is eligible for transmission to the Options Price Reporting Authority ("OPRA") for off-floor dissemination to securities data vendors. Currently, the SQF, a feature of the Exchange's Auto-Quote system, categorizes certain FCO strikes as "non-update" or "inactive" strikes, which are disseminated with the OPRA indicator "I" and zeroes (e.g., 000-000), in lieu of a market. In contrast, "update" or "active" strikes include, at minimum: (1) Around-the-money strikes in near-term American style options, and (2) strikes with open interest that have traded within the previous five days. Around-the-money strikes were recently¹ defined as those with an approximate 10, 20, 30, 40 and 50 delta.² Active strikes may also be added at the initiative of the Exchange or in

¹ 15 U.S.C. § 78s(b).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 37456 (July 19, 1996).

⁴ 61 FR 40053 (July 31, 1996).

⁵ 15 U.S.C. § 78.

¹ Securities Exchange Act Release No. 36636 (December 26, 1995) (File No. SR-Phlx-95-62).

² "Delta" is a measure of how much an option premium changes in relation to changes in the underlying. For example, a 50 delta represents that for every one point move in the spot price of an underlying foreign currency, the option moves 1/2.

⁶⁴ 15 U.S.C. 78s(b)(2) (1988).

⁶⁵ 17 CFR 200.30-3(a)(12).

response to a request by the Specialist or an FCO Floor Official.

When a series is inactive, those bids and offers are no longer updated in the Exchange's Auto-Quote system for dissemination. However, if interest is then voiced in any such series, it can be activated immediately upon establishment of a quote in that series. Inactive strikes with open interest (that have not traded in the previous five days) are quoted once at the close of trading each day for purposes of mark-to-market valuation. Because inactive series are not continuously updated and disseminated, quotation processing times are reduced such that quotes respecting active strikes are updated and disseminated to customers much more quickly.

At this time, the Exchange proposes that the Selective Quoting Facility be updated to reflect that certain around-the-money and longer-term strikes can be set as active. Specifically, two in-the-money strikes and six out-of-the-money strikes for both puts and calls will be set as the active around-the-money strikes each day.

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 purpose of the proposal is to codify certain system enhancements pertaining to the SQF into the governing Rule and Advice. Implemented in 1994,³ the SQF was intended to reduce the number of strike prices being continuously updated and disseminated, thus resulting in more timely and accurate FCO quote displays. Specifically, designating as inactive those series that are away-from-the-money or not recently traded eliminates quote changes in those series that have

the least amount of investor interest, thus reducing the dissemination delays caused by thousands of quote changes in volatile trading periods.

The Exchange amended the SQF last year⁴ to reduce the number of strikes considered active by: (1) Eliminating from the definition of active strikes those series with open interest that have not traded within the previous five trading days, but nevertheless requiring a closing quotation; (2) "de-activating" strikes intra-day that no longer fit the definition of active; and (3) redefining around-the-money active strikes as the five options with an approximate 10, 20, 30, 40 and 50 delta, instead of those four above and four below the spot price. This change was precipitated by volatility in the foreign currency markets causing dramatic fluctuation in foreign currency exchange rates, and, in turn, the addition of many strike prices to accommodate the new trading ranges of the underlying currencies. Therefore, the changes were intended to alleviate this burden and to improve the timeliness and accuracy of FCO quotes.

In building system enhancements to implement this change, testing revealed that the delta-based around-the-money strikes did not most accurately capture around-the-money interest and was not the most efficient or simple method of determining those strikes, as originally contemplated by the FCO floor. The Exchange had previously sought to define active strikes using deltas, in order to correspond to the terminology used by traders and to capture strikes of certain volatilities, which was an improvement upon having a set number. During testing, it was determined that the definition of around-the-money strikes be revisited, resulting in the proposal at hand.

The proposal at hand redefines around-the-money active strikes as two in-the-money strikes and six out-of-the-money strikes for both puts and calls. The purpose of this change is to more accurately reflect the most active series for dissemination of the most significant and meaningful quotes. FCO floor representatives determined that the 10–50 delta range did not necessarily incorporate such strikes. Each morning, under the proposal, the SQF would set eight calls and eight puts for each FCO expiration month. Previously, under the delta-based method, at least ten series were activated, and, in certain cases, more than five strikes out-of-the-money were required to capture the 50 delta and less than five captured the 50 delta in-the-money. Thus, based on specialist experience, the "two in the six out-of-

the-money" definition garners those strikes that are active daily and have the most trading interest. Furthermore, preliminary testing revealed that 10% fewer strikes in the sample were activated under the new definition. Therefore, the Exchange does not believe that the number of resulting strikes should differ significantly from the delta-based method. The actual number for each FCO depends upon the fluctuations in the underlying currency. Likewise, the Exchange believes that the "two in and six out" method is easier to discern for customers, floor traders, Exchange staff, and vendors alike.

Rule 1012, Commentary .04 establishes the minimum strikes to be activated, thus permitting the Exchange to designate other strikes as active. In this regard, the Exchange proposes to add the language "at minimum" to the Advice, for consistency with Rule 1012. In implementing the ability to activate other strikes, the Exchange has also designated as active all expiration months (except long-term) and around-the-money European style options. Activating expiration months other than the first three months became necessary due to complex system needs related to disseminating implied volatility levels using an outside vendor. Activation of around-the-money strikes is currently needed in all months to continue disseminating these levels under existing system configurations. With respect to end-of-month FCOs, only the first three expiration months are currently activated. Further, European style options are treated the same as American style options by the SQF system, such that the around-the-money definition activates the same strikes. The Exchange notes that these changes were implemented by FCO Committee representatives to facilitate the smooth operation of the SQF, and this proposal codifies this result by adding the permissive language from the Rule into the Advice.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6⁵ of the Act in general, and in particular, with Section 6(b)(5),⁶ in that it is designed to promote just and equitable principles of trade, prevent fraudulent and manipulative acts and practices, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, as well as to protect investors and the

³ Securities Exchange Act Release No. 33067 (October 19, 1993), 58 FR 57658 (October 26, 1993) (File No. SR-Phlx-92-23).

⁴ See, *supra* note 1.

⁵ 15 U.S.C. 78f.

⁶ 15 U.S.C. 78f(b)(50).

public interest. Specifically, the Exchange believes the proposal promotes just and equitable principles of trade by facilitating speedier dissemination of FCO markets. Although the proposal may, but does not necessarily, result in a greater number of active strikes, the Exchange believes that any additional activation of strikes is necessary to ensure that SQF dissemination includes truly active strikes. Thus, the proposal balances the need to prevent excessive quote disseminations with preserving meaningful dissemination of FCO quotes. The proposal is also designed to facilitate coordination between the Exchange, the Options Clearing Corporation ("OCC"), OPRA and securities information vendors. A quote will always be disseminated when a trade occurs in a previously-inactive series and quotes in inactive series can always be requested from the trading crowd, consistent with the protection of investors and the public interest. In sum, the Phlx believes that the proposed changes to the SQF should facilitate the specialists' ability to focus on active series, which should, in turn, result in tighter, more liquid markets, consistent with Section 6(b)(5).

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

The Phlx 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 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 Phlx 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, DC 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, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-96-39 and should be submitted by October 11, 1996.

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

Jonathan G. Katz,
Secretary.

[FR Doc. 96-24168 Filed 9-19-96; 8:45 am]

BILLING CODE 8010-01-M

SOCIAL SECURITY ADMINISTRATION

Agency Information Collection Activities: Proposed Collection Request

The Social Security Administration publishes a list of information collection packages that will require submission to the Office of Management and Budget (OMB) for clearance in compliance with Public Law 104-13 effective October 1, 1995, The Paperwork Reduction Act of 1995. The information collections listed below require extension of the current OMB approval:

(Call the SSA Reports Clearance Officer on (410) 965-4125 for a copy of the form(s) or package(s), or write to her at the address listed below the information collections)

1. Employer Report of Special Wage Payments—0960-NEW. The information collected on form SSA-131 will be used by the Social Security Administration to verify wage information in order to prevent earnings-related overpayments or to avoid erroneous withholding of benefits. The respondents are employers who need to report an event which requires special wage payment verification.

Number of Respondents: 100,000.
Frequency of Response: 1.

Average Burden Per Response: 20 minutes.

Estimated Annual Burden: 33,333 hours.

2. Quickstart Enrollment Form—0960-NEW. The information is needed by the Social Security Administration to facilitate electronic transmission of data for direct deposit of funds to a payee's account. The respondents are Social Security and SSI recipients requesting direct deposit and their financial institutions.

Number of Respondents: 3,950,000.

Frequency of Response: 1.

Average Burden per Response: 5 minutes.

Estimated Annual Burden: 329,167 hours.

Written comments and recommendations regarding these information collections should be sent within 60 days from the date of this publication, directly to the SSA Reports Clearance Officer at the following address: Social Security Administration, DCFAM, Attn: Judith T. Hasche, 6401 Security Blvd., 1-A-21 Operations Bldg., Baltimore, MD 21235.

In addition to your comments on the accuracy of the agency's burden estimate, we are soliciting comments on the need for the information; its practical utility; ways to enhance its quality, utility and clarity; and on ways to minimize burden on respondents, including the use of automated collection techniques or other forms of information technology.

Agency Information Collection Activities: Submission for OMB Review; Comment Request

The information collections listed below, which were published in the Federal Register on July 5, 1996 have been submitted to OMB.

(Call Reports Clearance Officer on (410) 965-4125 for copies of package)

OMB Desk Officer: Laura Oliven.

SSA Reports Clearance Officer: Judith T. Hasche.

1. Application for Wife's or Husband's Insurance Benefits—0960-0008. The information collected on form SSA-2 is needed by the Social Security Administration to determine an applicant's eligibility to wife's or husband's benefits. The respondents are individuals who wish to file for those types of benefits.

Number of Respondents: 700,000.

Frequency of Response: 1.

Average Burden Per Response: 10 minutes.

Estimated Annual Burden: 116,667 hours.

2. Statement of Marital Relationship (By One of the Parties)—0960-0038.