

*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:

(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 Exchange. All submissions should refer to File No. SR-CHX-96-28 and should be submitted by December 16, 1996.

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

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96-30025 Filed 11-22-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37962; File No. SR-PHLX-96-40]

**Self-Regulatory Organizations; Philadelphia Stock Exchange, Incorporated; Notice of Filing of Proposed Rule Change Relating to Equity Margin Rules**

November 19, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on November 1, 1996, the Philadelphia Stock Exchange, Inc. ("PHLX" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "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 PHLX, pursuant to Rule 19b-4 of the Act,<sup>2</sup> hereby proposes to amend Rules 721, 722, and 723.

1. The proposed amendment to PHLX Rule 721 will now provide for initial customer margin requirements. Specifically, a customer must deposit at least the greater of the amount specified by Regulation T or \$2,000 equity, except that cash need not be deposited in excess of any security purchased.

2. The proposed amendment to PHLX Rule 722 will now provide for good faith margin requirements in instances where a member organization carries the proprietary account of another broker-dealer in compliance with the requirements of Regulation T. The rule will further provide that the member organization may not carry the account in a deficit position and must deduct from its own net capital the difference between the margin required by other sections of this rule and the equity on deposit.

3. Rule 723 will be completely restated. Revised Rule 723 will specifically be applicable to customer day-trading activities. This rule will require a customer to have sufficient equity to meet the margin required on either the long or short transaction, whichever occurred first on an intra-day basis. For purposes of this rule, the term "customer" will be defined, as it is in Rule 722(e)(2), to not include "a broker or dealer from whom a security has been purchased or to whom a security has

been sold for the account of a member organization or its customers."

In addition, a prohibition against free riding in a customer's cash account has been included in order to preclude a customer from making a practice of paying for a security by selling the same security on an intra-day basis.

**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 PHLX intends to amend Rules 721, 722, and 723 in order to harmonize the PHLX's margin rules with those of the other self-regulatory organizations ("SROs").

Specifically, amended Rule 721 will be identical to the initial customer equity margin requirements of the New York Stock Exchange ("NYSE"), the American Stock Exchange ("AMEX") and the Pacific Stock Exchange ("PSE").<sup>3</sup>

The proposed amendment to Rule 722 is intended to provide for good faith margin in instances where a member organization carries the proprietary account of another broker-dealer in compliance with the requirements of Regulation T. The PHLX proposes adding these provisions so as to parallel its margin rule with that of the NYSE.<sup>4</sup>

Rule 723 is proposed to be completely restated. In this regard, Exchange research has identified that the current text of Rule 723 has not been amended since at least 1937.<sup>5</sup> Accordingly, the arcane text predates all modern margin and capital rules of the PHLX. In lieu of the outdated provisions of Rule 723,

<sup>3</sup> See Rule 431(b); AMEX Rule 462; PSE Rules 2.15(e), 2.16(a).

<sup>4</sup> See Rule 431(e)(6).

<sup>5</sup> In researching the history of Rule 723 the PHLX reviewed Exchange guides from as far back as the 1930's, wherein, the rule appeared exactly as it now reads. Furthermore, rule 723 itself makes no reference to ever having been amended. See PHLX Rule 723.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

The Exchange proposes replacing such text with the current customer day-trading provisions and the prohibition against free-riding which have been promulgated by the other major SROs.<sup>6</sup> The pre-amended version of Rule 723 applied to member and member firm trading which is now governed by PHLX Rules 722 and 703.<sup>7</sup>

Other major SROs do not have any intra-day margin requirements governing member trading.<sup>8</sup> The "daylight" trading requirements of the PHLX serve no current purposes other than to force PHLX members to meet intra-day trading requirements on transactions which were not specifically exempted by the obsolete rule. In addition, because other major exchanges do not have these intra-day requirements, the PHLX has been placed at a competitive disadvantage. Members are forced to actively manage non-exempted transactions on an intra-day basis in order to maintain compliance with the rule, while other exchanges' margining and capital requirements are only imposed at the end of the business day. Furthermore, the proposed day trading and free riding provisions provide additional protection in the market where it is most needed. Accordingly, the PHLX rules should be brought into harmony with the other exchanges so as to relieve these competitive disadvantages.

## 2. Statutory Basis

The proposed rule change is based on Section 6(b)(5) of the Act in that it is designed to remove impediments to and perfect the mechanism of a national market system and 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.

<sup>6</sup> The PHLX proposes adopting the language promulgated by the New York Stock Exchange. See NYSE Rule 431(f)(8)(B)(C) and (f)(9).

<sup>7</sup> Rule 722 concerns margin accounts, and Rule 703 concerns financial responsibility and reporting.

<sup>8</sup> The NYSE, AMEX and the PSE do not have intra-day margining requirements for members. The NYSE does however, have intra-day margining requirements for customers.

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

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96-30024 Filed 11-22-96; 8:45 am]

BILLING CODE 8010-01-M

## SMALL BUSINESS ADMINISTRATION

### Data Collection Available for Public Comments and Recommendations

**ACTION:** Notice and request for comments.

**SUMMARY:** In accordance with the Paperwork Reduction Act of 1995, this notice announces the Small Business Administration's intentions to request

approval on a new, and/or currently approved information collection.

**DATES:** Comments should be submitted on or before January 24, 1997.

**FOR FURTHER INFORMATION CONTACT:** Curtis B. Rich, Management Analyst, Small Business Administration, 409 3rd Street, S. W., Suite 5000, Washington, D. C. 20416. Phone Number: 202-205-6629.

### SUPPLEMENTARY INFORMATION:

*Title:* "Annual Survey of Job Retention and Creation in the Delta Program."

*Type of Request:* New Request.

*Form No.:* 1989.

*Description of Respondents:* Delta Loan Recipients.

*Annual Responses:* 500.

*Annual Burden:* 83.5.

*Comments:* Send all comments regarding this information collection to Gregory Diercks Delta Program Manager, Office of Financial Assistance, Small Business Administration, 409 3rd Street, S. W., Suite 8300 Washington, D.C. 20416. Phone No.: 202-205-7538.

Send comments regarding whether this information collection is necessary for the proper performance of the function of the agency, accuracy of burden estimate, in addition to ways to minimize this estimate, and ways to enhance the quality.

Jacqueline White,

*Chief, Administrative Information Branch.*

[FR Doc. 96-29967 Filed 11-22-96; 8:45 am]

BILLING CODE 8025-01-P

## OFFICE OF THE UNITED STATES TRADE REPRESENTATIVE

### Request for Public Comments on the Negotiation of a Bilateral Trade Agreement Between the United States and the Socialist Republic of Vietnam

**AGENCY:** Office of the United States Trade Representative.

**ACTION:** Notice; request for comments.

**SUMMARY:** The Office of the United States Trade Representative (USTR) is providing notice that the United States is in the process of negotiating a bilateral trade agreement with the Socialist Republic of Vietnam. USTR invites comments from the public on how the trade agreement can be used to address concerns or goals of U.S. persons and businesses with respect to trade with Vietnam. Comments in particular might address current Vietnamese practices that affect (a) market access for U.S. exports, such as tariffs and non-tariff measures, (b) trade and investment in services; and (c) any