RAES through an individual or a joint account is a business decision of the market-maker, and should not affect that market-maker's eligibility to participate in RAES. The Exchange believes that without making this change to equalize the eligibility requirements, those market-makers who, for business reasons, have decided to participate through joint accounts would have stricter eligibility requirements than those market-markers participating on RAES through individual accounts.

2. Statutory Basis

By equalizing the eligibility requirements of all market-makers to participate on SPX RAES, the CBOE believes that the proposed rule change will treat all market-makers more fairly. As such, the Exchange believes the rule proposal is consistent with and furthers the objectives of Section 6(b)(5) of the Act, in that it is designed to perfect the mechanisms of a free and open market and to protect investors and the public interest.

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

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

No written comments were solicited or received with respect to the proposed rule change.

III. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

The Exchange has requested that the proposed rule change be given accelerated effectiveness pursuant to Section 19(b)(2) of the Act. The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange and, in particular, with the requirements of Section 6(b) of the Act. Specifically, the Commission believes that the proposal is consistent with the Section 6(b)(5) requirements that the rules of an exchange be designed to promote just and equitable principles of trade, to prevent fraudulent and manipulative acts, and, in general, to protect investors and the public interest.

The Commission believes that the presence of an adequate number of market-makers protects investors and contributes to the maintenance of a fair and orderly market. The Commission also believes it is reasonable for the Exchange to apply the same minimum eligibility requirements for participation in SPX RAES through joint accounts as apply to participation through individual accounts. The Commission believes that the Exchange's proposal help ensure continued availability of RAES for SPX options, thereby contributing to the effective and efficient execution of public investor orders at the best available prices. The Commission believes that requiring market-makers, whether participating through joint or individual accounts, to execute at least 50% of their contracts in SPX in the preceding month to participate in SPX RAES is a reasonable means for achieving this goal.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice thereof in the Federal Register. Specifically, as stated above, the Commission believes that the presence of an adequate number of market-makers protects investors and contributes to the maintenance of a fair and orderly market. The Commission also believes that the CBOE proposal to conform its rules for eligibility requirements for market-makers participating on RAES through joint accounts with the eligibility requirements for those participating through individual accounts raises no new regulatory issues. Additionally, as noted above, the Exchange recently proposed the same minimum SPX RAES eligibility requirements for individual accounts. The proposal regarding SPX RAES eligibility for individual accounts was published in the Federal Register,[7] and was subject to a full notice and comment period. No comments were received on the proposal. Accordingly, the Commission believes, consistent with Section 6(b)(5) of the Act, that good cause exists to approve the proposed rule change on an accelerated basis.

The Commission also finds good cause for approving Amendment No. 1 to the proposed rule change prior to the thirtieth day after the day of publication of notice hereof in the Federal Register. Specifically, Amendment No. 1 clarifies that the ''preceding month'' reviewed by the Exchange to determine both SPX and OEX RAES eligibility is the preceding calendar month. The Commission believes that the Amendment further clarifies and strengthens the rule language, and raises no new regulatory issues. Accordingly, the Commission believes, consistent with Section 6(b)(5) of the Act, that good cause exists to approve Amendment No. 1 to the proposed rule change on an accelerated basis.

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 Room. 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–CBOE–96–51 and should be submitted by September 24, 1996.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[8] that the proposed rule change (SR–CBOE–96–51), as amended, is hereby approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[9]

Margaret McFarland,

Deputy Secretary.

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[Release No. 34–37608; File No. SR–DTC–96–11]

Self-Regulatory Organizations; The Depository Trust Company; Order Approving a Proposed Rule Change Seeking Authority To Release Clearing Data Relating to Participants

August 26, 1996.

On May 28, 1996, The Depository Trust Company (''DTC'') filed with the Securities and Exchange Commission (''Commission'') a proposed rule change (File No. SR–DTC–96–11) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'').[1] Notice of the proposal was published in the Federal Register on July 19, 1996.[2] No

[7] *See* Release No. 34–37348, *supra* note 4.

[8] 15 U.S.C. § 78s(b)(2).

[9] 17 CFR 200.30–3(a)(12).

[1] 15 U.S.C. § 78s(b)(1) (1988).

[2] Securities Exchange Act Release No. 37433 (July 12, 1996), 61 FR 37783.

comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description of the Proposal

The rule change establishes Rule 2, Section 6, of DTC's rules to govern the release of certain participant information which DTC obtained during its ordinary course of business. The new rule authorizes DTC to release information relating to a participant's participants fund deposit, collateral, net credit balance, and net debit balance (referred to herein as ''clearing information'') to authorized parties. Such authorized parties include other clearing agencies registered with the Commission at which the participant is a member; any clearing organization that is affiliated with or has been designated by a futures contract market under the oversight of the Commodities Futures Trading Commission of which the participant is a member; and upon the request of the participant, to such other entities as the participant may designate.

The rule change will permit DTC to release clearing information to the National Securities Clearing Corporation (''NSCC'') for use in its Collateral Management Service (''CMS'').[3] CMS provides collateral information regarding a participant to the participant and to other clearing agencies at which the participant is a member.

II. Discussion

Section 17A(b)(3)(F) of the Act requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody or control of the clearing agency or for which it is responsible.[4] The Commission believes the proposed rule change is consistent with DTC's obligation under Section 17A(b)(3)(F) because the proposal sets forth DTC's responsibilities and obligations with regard to releasing participants' clearing data and facilitates DTC's participation in NSCC's CMS by enabling DTC to provide participant information to NSCC for use in its CMS. DTC's and its participants' participation in NSCC's CMS should help DTC and other clearing agencies to better monitor their members' clearing fund, margin, and other similar by required deposits that protect the clearing agencies against loss should a member default on its obligations. Furthermore, NSCC's CMS will be especially beneficial to those participating clearing entities that have executed cross-guaranty agreements or other similar cross-guarantee arrangements.[5]

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of Section 17A(b)(3)(F) of the Act and the rules and regulations thereunder.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR–DTC–96–11) be, and hereby is, approved.

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

Margaret H. McFarland,

Deputy Secretary.

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[3] For a complete description of the CMS, refer to Securities Exchange Act Release No. 36091 (August 5, 1995), 60 FR 30912 [File No. SR–NSCC–95–06] (order approving the CMS).

[4] 15 U.S.C. § 78q–1(b)(3)(F) (1988).

[5] Currently, DTC and NSCC operate pursuant to a netting and limited cross-guaranty agreement. The agreement provides that in the event of a default of a common member, any resources remaining after the failed common member's obligations to the guaranteeing clearing agency have been satisfied will be made available to the other clearing agency. The guaranty is not absolute but rather is limited to the extent of the resources relative to the failed member remaining at the guaranteeing clearing agency. The principal resources will be the failed member's settlement net credit balances and deposits to the clearing agencies' clearing funds. For a complete description of DTC's and NSCC's agreement, refer to Securities Exchange Act Release No. 33548 (January 31, 1994), 59 FR 5638 [File Nos. SR–DTC–93–08 and SR–NSCC–93–07].

[6] 17 CFR 200.30–3(a)(12) (1996).

[Release No. 34–37602; File No. SR–OCC–95–17]

Self-Regulatory Organizations; the Options Clearing Corporation; Order Approving a Proposed Rule Change Modifying the Escrow Deposit Program

August 26, 1996.

On November 2, 1995, the Options Clearing Corporation (''OCC'') filed with the Securities and Exchange Commission (''Commission'') a proposed rule change (File No. SR–OCC–95–17) pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'').[1] Notice of the proposal was published in the Federal Register on June 7, 1996.[2] OCC amended the proposed rule change on March 22, 1996, and on July 22, 1996.[3] No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description of the Proposal

OCC is modifying its escrow deposit program to (i) permit escrow deposits for stock put options and stock index put options; (ii) delete provisions regarding OCC's batch system for processing escrow receipts; (iii) change provisions regarding the timing of the release of escrow deposits; and (iv) delete provisions for bulk deposits for call options and deposits of Treasury bills for put options. In addition, OCC is modifying other OCC rules and the On-line Escrow Deposit Agreement to conform to this rule change.

Pursuant to OCC rules, clearing members may deposit, which deposit may be in the form of an escrow deposit, with an OCC approved custodian shares of stock underlying certain options in lieu of margin. Escrow deposits are specific deposits of assets held by OCC at an approved custodian for the account of a specific customer. Presently, OCC's rules restrict escrow deposits to short positions in stock call option contracts and stock index call option contracts. For stock call options, the underlying security may be deposited in escrow, and for stock index call options, any combination of cash, short-term government securities, or marginable equity securities may be deposited in escrow.

Permitting escrow deposits with respect to short positions in stock put option contracts and short positions in stock index put option contracts had been deferred until sufficient interest existed and an acceptable system was developed to process escrow deposits for put options. After receiving requests to expand its escrow program to include such deposits for stock and stock index puts, OCC determined to make several enhancements and modifications to its escrow program.

First, OCC is expanding its escrow program to permit escrow deposits for short positions in stock put option contracts and in stock index put option contracts and to process those deposits through its on-line Escrow Receipt Depository (''ERD'') system.[4] To accomplish the proposed expansion of

[1] 15 U.S.C. § 78s(b)(1) (1988).

[2] Securities Exchange Act Release No. 37258 (May 30, 1996), 61 FR 29160.

[3] Letters from Jean M. Cawley, OCC, to Jerry W. Carpenter, Assistant Director, Division of Market Regulation (''Division''), Commission (March 20, 1996, and July 22, 1996). Because the amendments are technical rather than substantive in nature, the Commission believes it is not necessary to re-notice the proposed rule change.

[4] For a complete description of the batch ERD system and the transition to the on-line ERD system, refer to Securities Exchange Act Release No. 31595 (December 11, 1992), 57 FR 61139 [SR–OCC–92–30] (order approving on an accelerated basis a proposed rule change relating to the conversion of OCC's current batch ERD system to an on-line system).