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 submission should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 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 Room, 450 Fifth Street, NW., Washington, DC. Copies of such filing also will be available for inspection and copying at the CBOE. All submissions should refer to File No. SR–CBOE–97–62 and should be submitted by January 7, 1998.

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

Margaret H. McFarland,

Deputy Secretary.

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BILLING CODE 8010–01–M

[9] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–39435; File No. SR–CBOE–97–55]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to the Telephone Policy for the S&P 100 Index (''OEX'') Options Post

December 11, 1997.

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 October 9, 1997, the Chicago Board Options Exchange, Inc. (''CBOE'' or ''Exchange'') filed with the Securities and Exchange Commission (''SEC'' or ''Commission'') the proposed rule change as described in Items I and II 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 and approving this proposal on an accelerated basis.

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

The CBOE proposes to amend its current policy governing the use of member-owned or Exchange-owned telephones located at the post where Standard & Poor's 100 Index (''OEX'') options are traded to allow market makers to receive incoming telephone calls from locations outside the CBOE building on telephones at the OEX post.[1]

The text of the regulatory circular is available at the Office of the Secretary, CBOE, and at the Commission.

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 Exchange's current regulatory circular (Regulatory Circular 96–73) governing the use of telephones at the OEX option trading post by eliminating the restriction against market makers receiving incoming calls at the OEX post from locations outside of the Exchange building. According to the CBOE, when the OEX Floor Procedure Committee (''Committee'') recommended that the Exchange adopt a policy prohibiting market makers from receiving incoming calls at the OEX post, the Committee was concerned that the receipt of telephone calls would interfere with the market makers' fulfillment of their duties to make markets and fill orders. However, the CBOE notes that all other trading posts on the CBOE's floor have successfully allowed market makers to receive incoming calls without any detrimental effects on the conduct of business at those locations. In fact, the Exchange has found that allowing market makers to receive incoming calls can allow them to stay in contact with outside parties who can provide information to the market makers that may assist them in performing their duties.

[1] The Commission approved the Regulatory Circular (Regulatory Circular 96–73) containing the current OEX telephone policy on July 26, 1996. *See* Securities Exchange Act Release No. 37487 (July 26, 1996), 61 FR 40686 (August 5, 1996) (order approving File No. SR–CBOE–96–14).

The proposed change to allow market makers to receive incoming calls will make the OEX telephone policy consistent with the telephone policy at all other trading locations on the CBOE's floor in this respect. Under the proposal, the Exchange will allow market makers to have their own dedicated telephone or telephone line if space permits. The Exchange will retain the discretion to decide whether a market maker may have its own telephone or a dedicated line on an Exchange telephone depending on the space restrictions in the post.

The Exchange also is amending the OEX telephone installation application and agreement to reflect the proposed change.

The Exchange believes the proposed rule change will allow market makers to better perform their duties by giving them more open access to outside information. In addition, the proposed change will make the OEX telephone policy consistent with the policies elsewhere on the Exchange floor. For the foregoing reasons, 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 by providing better access to the OEX post.

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

The CBOE does not believe that the proposed rule change will impose any 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. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The CBOE has requested that the proposed rule change be given accelerated effectiveness pursuant to

Section 19(b)(2) of the Act. According to the CBOE, the proposed change is consistent with the use of telephones at other locations on the CBOE floor, including at the equity option telephone posts, where the use of telephones is governed by a policy approved by the Commission.[2]

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, the requirements of Section 6(b)(5)[3] in that it is designed to promote just and equitable principles of trade, prevent fraudulent and manipulative acts and practices, and maintain fair and orderly markets.[4] Specifically, the CBOE has represented that allowing OEX market makers to receive incoming calls from outside the CBOE building may allow OEX market makers to receive information that will assist OEX market makers in performing their duties. In addition, the proposal will make the OEX telephone policy regarding market makers' receipt of incoming calls consistent with the telephone policies at all other trading locations on the CBOE floor.

The Commission believes that it is reasonable for the Exchange to amend its telephone policy for OEX market makers to make the policy consistent with the procedures applicable to all other trading locations on the CBOE has indicated that market makers' receipt of incoming calls at other trading posts on the CBOE floor. In this regard, the Commission notes that the CBOE floor has produced no detrimental effect on the conduct of business at those trading posts. In addition, the CBOE states that the Exchange has not detected any improper trading activity resulting from its telephone policies.[5] The Commission believes, as it found in approving the CBOE's telephone policy for equity options, that the Exchange's existing surveillance procedures will ensure that the CBOE is aware of any options transactions that raise manipulation concerns.[6] Accordingly, the Commission believes that the CBOE's modification of its telephone policy for OEX market makers will not diminish the Exchange's ability to detect and deter manipulation.

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of filing thereof in the **Federal Register**. Accelerated approval will allow the CBOE to implement a uniform policy regarding market makers' receipt of incoming calls at their trading posts. Accordingly, the Commission believes that granting accelerated approval to the proposal is appropriate and consistent with Section 6 of the Act.[7]

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and argument 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 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. 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–97–55 and should be submitted by January 7, 1998.

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,[8] that the proposed rule change (File No. SR–CBOE–97–55) is approved on an accelerated basis.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–32920 Filed 12–16–97; 8:45 am]

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[2] The Commission approved the CBOE's proposal to incorporate its telephone policy for equity options into the rules of the Exchange in 1994. *See* Securities Exchange Act Release No. 33701 (March 2, 1994), 59 FR 11336 (March 10, 1994) (order approving File No. SR–CBOE–93–24) (''Equity Option Approval Order'').

[3] 15 U.S.C. 78f(b)(5)(1988).

[4] In approving this rule, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(b)(5).

[5] Telephone conversation among Timothy Thompson, Senior Attorney, CBOE, Pat Cerny, Market Surveillance, CBOE, and Yvonne Fraticelli, Attorney, Office of Market Supervision, Division of Market Regulation, Commission, on November 18, 1997 (''November 18 Conversation'').

[6] *See* Equity Option Approval Order, *supra* note 2.

[7] 15 U.S.C. 78f.

[8] 15 U.S.C. 78s(b)(2).

[9] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–39422; File No. SR–DTC–97–20]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Expanding the Money Market Instrument Settlement Program

December 19, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on September 22, 1997, The Depository Trust Company (''DTC'') filed with the Securities and Exchange Commission (''Commission'') and on November 13, 1997, amended the proposed rule change (File No. SR–DTC–97–20) as described in Items I and II below, which items have been primarily prepared by DTC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons and to grant accelerated approval of the proposed rule change on a permanent basis.

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

The proposed rule change seeks permanent approval of DTC's expanded money market instrument (''MMI'') settlement program. The Commission previously approved DTC's expanded MMI program on a temporary 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, DTC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments that it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. DTC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.[2]

[1] 15 U.S.C. 78s(b)(1).

[2] The Commission has modified the text of the summaries prepared by DTC.