

the term "shall" in that provision to "may." See proposed Rule 6.82(f)(4).

9. The Exchange proposes to simplify the current provisions concerning appeals from OAC or Options Appointment Committee decisions so that in all cases such appeals are governed by Rule 11, and, during such appeals, the OAC shall appoint an interim LMM or trading crowd until such appeal has been resolved. See proposed rule 6.82(g).

10. The proposal would remove a provision requiring that LMM issues shall be traded in an area of the trading floor that is separate from other issues. See current Rule 6.82(a)(2).

11. The Exchange also proposes to restructure the rule, eliminate superfluous provisions, and make other revisions that would clarify the current text of the Rule. See *passim*.

The Exchange believes that its proposal is consistent with Section (b) of the Act in general, and Section 6(b)(5) in particular, in that it is designed to facilitate transactions in securities and to promote just and equitable principles of trade.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act.

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

Written comments on the proposed rule change were neither solicited nor received.

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

Within 35 years 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 self-regulatory organization 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, 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 in 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-PSE-96-03 and should be submitted by [insert date 21 days after the date of this publication].

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>3</sup>

Margaret H. McFarland,  
Deputy Secretary.

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[Release No. 34-36954; File No. SR-Philadep-96-03]

#### **Self-Regulatory Organizations; Philadelphia Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Enhancing Philanet Terminal Services To Allow Participants To Access Their Bookkeeping Activity Reports for Continuous Nets Settlement Accounts and Other Accounts**

March 11, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on February 23, 1996, the Philadelphia Depository Trust Company ("Philadep") 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 Philadep. The Commission is publishing this notice to solicit comments on the proposed rule change from interested parties.

<sup>3</sup> 17 CFR 200.30-3(a)(12) (1994).

<sup>1</sup> 15 U.S.C. 78s(b)(1) (1988).

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

Philadep proposes to enhance its Philanet terminal services to allow participants to access their bookkeeping activity reports for continuous net settlement ("CNS") accounts at Stock Clearing Corporation of Philadelphia ("SCCP") and for Philadep accounts through their Philanet terminals.<sup>2</sup>

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

In its filing with the Commission, Philadep included statements concerning the purpose of and the 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. Philadep has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.<sup>3</sup>

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

Currently, participants may obtain bookkeeping reports for CNS accounts at SCCP and for Philadep accounts in the form of hard copy reports or by computer-to-computer facilities ("CCF"). The proposed rule change will give participants the option of accessing the same information through their Philanet terminals by choosing the "RPTS" function. Philadep believes that this method is more expeditious and efficient than issuing hard copy reports and for some participants it is more economical than using CCF.

Philadep believes the proposed rule change is consistent with the requirements of Sections 17A(b)(3) (A) and (F)<sup>4</sup> of the Act because it fosters cooperation and coordination with persons engaged in the clearance and settlement of securities transactions and further assures the safeguarding of securities which are in the custody or control of Philadep.

#### *(b) Self-Regulatory Organization's Statement on Burden on Competition*

Philadep does not believe that the proposed rule change will have an

<sup>2</sup> Philanet is an on-line terminal network system that allows participants to access information affecting their accounts through an on-site terminal located at the participant's office.

<sup>3</sup> The Commission has modified the text of the summaries prepared by Philadep.

<sup>4</sup> 15 U.S.C. 78q-1(b)(3) (A) and (F) (1988).

impact on or impose a burden on competition.

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

Written comments were neither solicited nor received with respect to the proposed rule change.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(iii)<sup>5</sup> of the Act and pursuant to Rule 19b-4(e)(4)<sup>6</sup> promulgated thereunder because the proposal effects a change in an existing service of Philadep that does not adversely affect the safeguarding of securities or funds in the custody or control of Philadep and does not significantly affect the respective rights or obligations of Philadep or persons using the service. At any time within sixty days of the filing of such rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, 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 submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street NW., 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 in the Commission's Public Reference Section, 450 Fifth Street NW., Washington, D.C. 20549. Copies of such filings will also be available for inspection and copying at the principal office of Philadep. All submissions should refer to file number SR-Philadep-96-03 and should be submitted by April 8, 1996.

<sup>5</sup> 15 U.S.C. 78s(b)(3)(A)(iii) (1988).

<sup>6</sup> 17 CFR § 240.19b-4(e)(4) (1995).

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>7</sup>

Margaret H. McFarland,  
Deputy Secretary.

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**[Release No. 34-36951; International Series Release No. 950; File No. SR-Phlx-95-80]**

**Self-Regulatory Organizations; Order Approving a Proposed Rule Change by the Philadelphia Stock Exchange, Inc., Relating to Strike Price Intervals for Australian Dollar Options**

March 11, 1996.

**I. Introduction**

On January 2, 1996, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> filed with the Securities and Exchange Commission ("SEC" or "Commission") a proposed rule change to revise its strike price policy respecting foreign currency options on the Australian dollar by changing from a \$.01 interval to a \$.005 interval in the nearest three expiration months.

Notice of the proposal was published for comment and appeared in the Federal Register on January 24, 1996.<sup>3</sup> No comment letters were received on the proposed rule change. This order approves the Exchange's proposal.

**II. Description of the Proposal**

The Phlx has proposed to revise its strike price policy respecting foreign currency options on the Australian dollar pursuant to Phlx Rule 1012—Series of Options Open for Trading by adopting shorter strike price intervals than currently used. Currently, Australian dollar options are listed at 1 cent intervals.<sup>4</sup> Pursuant to Phlx Rule 1012, six expiration months are currently listed in regular foreign currency options, with one, two, three, six, nine, and twelve months until expiration.

The Exchange proposes to revise its strike price policy respecting foreign currency options on the Australian dollar by changing from a \$.01 interval to a \$.005 interval in the nearest three expiration months. The mid-term

expiration months (listed with six, nine, and twelve months until expiration) will continue to be listed at one cent interval.

The Exchange states that the purpose of the proposed rule change is to address certain market needs that have arisen as a result of recent lower volatility respecting the Australian dollar (in relation to the U.S. dollar), which has created a customer need for narrower strike price intervals.<sup>5</sup> The Exchange represents that the lower volatility of the Australian dollar has regulated in a narrower trading range for the currency option.

The Phlx asserts that the proposed rule change will initially create 72 new strike prices.<sup>6</sup> Additionally, both the Phlx and the Options Price Reporting Authority ("OPRA") represent that the predicted increase in the number of Australian dollar options series will not adversely affect their respective computer processing capacities to accommodate the additional strike prices.<sup>7</sup>

The Exchange further states that its general policy with respect to the delisting of inactive options series, subject to the assigned option specialist's approval, is to delist series in which there is no open interest beginning with the highest or lowest strike for that month. The Exchange, however, may not delist a series if such delisting would create a gap in consecutive strikes.<sup>8</sup>

The Exchange believes that the proposed reduction in the strike price interval should provide investors and traders of Australian dollar foreign

<sup>5</sup> The Commission has previously approved certain Phlx proposals that shortened foreign currency option strike price intervals. See e.g., Securities Exchange Act Release Nos. 35631 (April 20, 1995), 60 FR 20544 (April 26, 1995) (British pound from \$.025 to \$.01 strike price intervals) (file No. SR-Phlx-95-06); 25685 (May 10, 1988), 53 FR 17524 (May 17, 1988) (French franc from \$.05 to \$.025 strike price intervals) (File No. SR-Phlx-86-14), and 24103 (February 13, 1987), 52 FR 5605 (February 25, 1987) (British Pound from \$.05 to \$.025 strike price intervals) (File No. SR-Phlx-86-14).

<sup>6</sup> The total number of new strikes includes both puts and calls for American and European style options on the Australian dollar. See Letter from Gerald O'Connell, First Vice President, Phlx, to Michael Walinskas, Office of Market Supervision ("OMS"), Division of Market Regulation ("Market Regulation"), Commission, dated February 29, 1996 ("O'Connell Letter").

<sup>7</sup> See Letters from Tom Wittman, Director, Trading Systems, Phlx, dated March 6, 1996 ("Phlx Capacity Letter"), and Joseph P. Corrigan, Executive Director, OPRA, dated March 7, 1996 ("OPRA Capacity Letter"), to Michael Walinskas, Branch Chief, OMS, Market Regulation, Commission.

<sup>8</sup> See Letter from Gerald O'Connell, First Vice President, Phlx, to Michael Walinskas, Branch Chief, OMS, Market Regulation, Commission, dated March 1, 1996 ("O'Connell Letter No. 2").

<sup>7</sup> 17 CFR § 200.30-3(a)(12) (1995).

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

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

<sup>3</sup> See Securities Exchange Act Release No. 36729 (January 17, 1996), 61 FR 1964.

<sup>4</sup> See Securities Exchange Act Release No. 23945 (December 30, 1986), 52 FR 633 (January 7, 1987) (SR-Phlx-96-38).