

The proposed rule change amends NSCC's Rule 3 (Lists to be Maintained) to indicate that NSCC will maintain a list of annuity plans that may be the subject of orders processed through APS. The proposed rule change amends NSCC's Rule 57 (Annuities Processing Service) to clarify what governs these Phase I aspects of APS.

The proposed rule change also makes technical amendments to the following NSCC rules to accommodate the APS service, annuities agency members, and annuities carrier members: Rule 1 (Definitions and Descriptions), Rule 5 (General Provisions), Rule 6 (Distribution Facilities), Rule 12 (Settlement), Rule 17 (Fine Payments), Rule 18 (Procedures For When the Corporation Declines or Ceases to Act), Rule 20 (Insolvency), Rule 22 (Suspension of Rules), Rule 24 (Charges for Services Rendered), Rule 26 (Bills Rendered), Rule 27 (Admission to Premises of the Corporation—Powers of Attorney, Etc.), Rule 29 (Qualified Securities Depositories), Rule 32 (Facsimile Signatures), Rule 33 (Procedures), Rule 34 (Insurance), Rule 35 (Financial Reports), Rule 36 (Rule Changes), Rule 37 (Hearing Procedures), Rule 39 (Special Representative/Index Receipt Agent), Rule 45 (Notices), Rule 46 (Restrictions on Access to Services), Rule 48 (Disciplinary Proceedings), Rule 55 (Settling Banks), Procedure VIII (Money Settlement Service), Procedure XV (Clearing Fund Formula and Others Matters), Addendum D (Statement of Policy—Envelope Settlement Service), and Addendum F (Statement of Policy—In Relation to Same Day Funds Settlement).⁹

II. Discussion

Section 17A(b)(3)(F)¹⁰ of the Act requires that the rules of a clearing agency be designed to facilitate the prompt and accurate clearance and settlement of securities transactions. The Commission believes that NSCC's proposed rule change is consistent with its obligations under the Act because APS will provide centralized communication between insurance carriers and broker-dealers, banks, and their affiliated insurance agencies. APS also permits commission and charge back transactions to be processed in a standardized and automated

environment. Because the activities will be handled through NSCC, the time and cost associated with processing should be reduced. Thus, the proposal promotes the prompt and accurate clearance and settlement of securities transactions.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of Section 17A 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-NSCC-96-21) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹¹

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-25447 Filed 9-24-97; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39088; International Series Release No. 1102; File No. SR-OCC-97-10]

Self-Regulatory Organizations, the Options Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change Seeking Approval to Issue, Clear, and Settle Flexibly Structured Options on the Mexican Peso

September 17, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on June 24, 1997, The Options Clearing Corp. ("OCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I and II below, which items have been prepared primarily by OCC. The Commission is publishing this notice and order to solicit comments from interested persons and to grant accelerated approval, conditioned as described below, of the proposal.

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

The proposed rule change will allow OCC to issue, clear, and settle option

transactions where the Mexican peso is either the trading currency or the underlying currency.

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

In its filing with the Commission, OCC 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. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

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

Under the proposed rule change, OCC will issue, clear, and settle flexibly structured option contracts where the Mexican peso is either the trading currency or the underlying currency. The Philadelphia Stock Exchange ("PHLX") has proposed to list and trade such foreign currency options through its customized options facility.³ The PHLX rule filing proposes to enable its members to trade customized contracts between the peso and United States dollar. The PHLX rule filing further proposed to offer cross-rate contracts for the Mexican peso against the Canadian dollar.

Currently, OCC has approval to list and clear flexibly structured option contracts on any combination of the following currencies: (1) Australian dollars, (2) British pounds, (3) Canadian dollars, (4) German deutsche marks, (5) European Economic Community currency units, (6) French francs, (7) Italian lire, (8) Japanese yen, (9) Spanish pesetas, (10) Swiss francs, and (11) United States dollars. OCC is now proposing to add the Mexican peso to that list of approved currencies.

Options on the peso will be cleared and settled in accordance with the clearance and settlement mechanisms already in place for flexibly structured foreign currency options and for cross-rate foreign currency options. In addition, options on the peso will be

19(b)(3)(A) of the Act at such time as NSCC determines the fees to be charged for APS services.

⁹ The full text of each of these technical rule changes is set forth in Exhibit A of NSCC's filing and subsequent amendments thereto, each of which is available for inspection and copying at the Commission's Public Reference Room or through NSCC.

¹⁰ 15 U.S.C. 78q-1(b)(3)(F).

¹¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified the text of the summaries prepared by OCC.

³ For a discussion of the PHLX proposal, refer to Securities Exchange Act Release No. 38867 (May 22, 1997), 62 FR 29385 [File No. SR-PHLX-97-22] (notice of proposed rule change to list and trade options on the Mexican peso). The PHLX proposal has not received final approval from the Commission.

margined like OCC's existing foreign currency and cross-rate foreign currency option contracts. Accordingly, OCC has determined that no changes to its by-laws or rules are necessary to accommodate these new contracts.

OCC believes the proposed rule change is consistent with the requirements of Section 17A(b)(3)(F) of the Act⁴ and the rules and regulations thereunder because it promotes efficiencies in the clearance and settlement of securities transactions.

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

OCC does not believe that the proposed rule change would impose any 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 not and are not intended to be solicited with respect to the proposed rule change, and none were received.

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

Section 17A(b)(3)(F) of the Act⁵ requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds which are in the custody and control of the clearing agency or for which it is responsible. OCC's proposal will allow the clearance and settlement of flexibly structured option contracts where the peso is either the trading currency or the underlying currency by using existing OCC systems, rules, and procedures already in place for flexibly structured foreign currency options and for cross-rate foreign currency options. Due to the similarity of these option contracts to the option contracts currently cleared and settled in OCC's existing system, OCC should be able to implement the clearance and settlement of such options safely and in a manner consistent with its obligations under Section 17A. Thus, the Commission is approving OCC's proposal, subject to the Commission's approval of the proposed rule change contained in File No. SR-PHLX-97-22.⁶

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the publication of notice of the filing. Approving prior to the thirtieth day after publication of notice will allow

OCC to issue, clear, and settle flexibly structured options and cross-rate foreign currency options on the Mexican peso as soon as the Commission approves PHLX's trading of such options.

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. 20549. Copies of such filing also will be available for inspection and copying at the principal office of OCC. All submissions should refer to File No. SR-OCC-97-10 and should be submitted by October 16, 1997.

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,⁷ that the proposed rule change (File No. SR-OCC-97-10) be and hereby is approved, subject to the Commission's final approval of the proposed rule change contained in File No. SR-PHLX-97-22.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁸

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97-25375 Filed 9-24-97; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-39094; File No. SR-OCC-97-06]

Self-Regulatory Organizations, The Options Clearing Corporation; Notice of Filing and Order Granting Accelerated Approval of a Proposed Rule Change to Issue, Clear, and Settle Packaged Spread Options

September 19, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on May 15, 1997, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") and on July 1, 1997, amended the proposed rule change as described in Items I and II below, which Items have been prepared primarily by OCC. The Commission is publishing this notice and order to solicit comments from interested persons and to grant accelerated approval, conditioned as described below, of the proposed rule change.

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

The purpose of the proposed rule change is to amend OCC's by-laws and rules to permit OCC to issue, clear, and settle packaged spread options, which have been proposed for trading by the Chicago Board Options Exchange ("CBOE").

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

In its filing with the Commission, OCC 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. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.²

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

1. Description of Packaged Spreads

The purpose of the proposed rule change is to amend OCC's by-laws and rules to permit OCC to issue, clear, and

⁴ 15 U.S.C. 78q-1(b)(3)(F).

⁵ *Id.*

⁶ *Supra* note 3.

⁷ 15 U.S.C. 78s(b)(2).

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² The Commission has modified the text of the summaries prepared by OCC.