

progress towards such completion, the Commission again requests that the Exchange provide the Commission with a status report regarding this project on the first day of every month until the necessary system modifications are completed. Finally, upon completion of the systems modifications, the Exchange should give advance notice to the Commission of the date when the new odd-lot pricing procedures are to be implemented.¹⁶

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. This will permit the pilot program to continue on an uninterrupted basis while the Amex works to implement the new procedures. In addition, the procedures the Exchange proposes to continue using are identical to the procedures that were published previously in the Federal Register for the full comment period and were approved by the Commission.¹⁷

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹⁸ that the proposed rule change (SR-Amex-97-08) is approved on a pilot basis for a three-month period ending on May 12, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁹

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 97-4051 Filed 2-18-97; 8:45 am]

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[Release No. 34-38274; International Series Release No. 1051; File No. SR-CBOE-97-04]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Chicago Board Options Exchange, Incorporated Relating to Adoption of Foreign Examination Modules

February 12, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ notice is hereby given that on

January 24, 1997, the Chicago Board Options Exchange, Incorporated ("CBOE or Exchange") filed with Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the CBOE. The CBOE has designated this proposal as a noncontroversial rule change pursuant to Section 19(b)(3)(A) of the Act and subparagraph (e)(6) of Rule 19b-4. 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 CBOE proposes to adopt certain foreign examination modules for the United Kingdom ("U.K."), Canada and Japan, which would reduce duplicative qualification standards. The exams were developed by the New York Stock Exchange ("NYSE") and currently are in use by the NYSE and National Association of Securities Dealers ("NASD"). Exchange Rule 9.3 has certain requirements for registered representatives, one of which is passing various tests. The Exchange previously has recognized the requirement that all registered representative pass the Series 7 examination. The CBOE now is expanding the types of exams that may satisfy the Series 7 requirement.

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 CBOE 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 CBOE has prepared summaries, set forth in sections A, B, and C below, of the most significant parts 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 adopt foreign examination modules for the U.K., Canada and Japan. Exchange Rule 9.3 has certain requirements for registered representatives, one of which is passing various tests. The Exchange previously has recognized the requirement that all registered representatives pass the Series 7 examination. The CBOE now is expanding the types of exams that may satisfy the Series 7 requirement.

These foreign examination modules allow persons in good standing with the securities regulators of their respective countries to qualify as general securities registered representatives (Series 7 registrants) by successfully completing certain modified general securities representative examinations which have been developed by the NYSE.²

The purpose of the proposal is to reduce duplicative qualification standards that foreign registered representatives from the U.K., Canada and Japan encounter to qualify as a U.S. general securities registered representative, the equivalent of the Series 7 registration. A person who qualifies through one of these examinations may perform all of the functions permitted of a person who holds a Series 7 registration, with the exception of selling municipal securities. The examination modules for the U.K. (Series 17), Canada (Series 37/38) and Japan (Series 47) currently are in use by the NYSE and NASD.³ At the present time, the CBOE has no rule which allows CBOE registration of a person who has passed the Series 17, Series 37/38 or series 47 versions of the modified general securities representative examinations.

The CBOE wishes to give U.K., Canadian, and Japanese registered representatives the same advantage they have at the NYSE and NASD by eliminating duplicative examinations. the CBOE believes that these examinations will benefit both the Exchange and the foreign representative affected by the proposal.

The Series 17 version, the Limited Registered Representative Examination,

² See Securities Exchange Act Release No. 27967 (May 1, 1990), 55 FR 19131 (May 8, 1990) (approving File No. SR-NYSE-89-22, Series 17); Securities Exchange Act Release No. 36629, International Series Release No. 909 (Dec. 21, 1995), 60 FR 67385, *corrected*, Securities Exchange Act Release No. 36629A, International Series Release No. 909A (Jan. 4, 1996), 61 FR 744 (Jan. 10, 1996) (approving File No. SR-NYSE-95-29, Series 37 and Series 38); Securities Exchange Act Release No. 36708, International Series Release No. 915 (Jan. 11, 1996), 61 FR 1808 (Jan. 23, 1996) (approving File No. SR-NYSE-95-36, Series 47).

³ See Securities Exchange Act Release No. 27967 (May 1, 1990), 55 FR 19131 (May 8, 1990) (approving File No. SR-NYSE-89-22, Series 17); Securities Exchange Act Release No. 36629, International Series Release No. 909 (Dec. 21, 1995), 60 FR 67385, *corrected*, Securities Exchange Act Release No. 36629A, International Series Release No. 909A (Jan. 4, 1996), 61 FR 744 (Jan. 10, 1996) (approving File No. SR-NYSE-95-29, Series 37 and Series 38); Securities Exchange Act Release No. 36708, International Series Release No. 915 (Jan. 11, 1996), 61 FR 1808 (Jan. 23, 1996) (approving File No. SR-NYSE-95-36, Series 47); *see also* Securities Exchange Act Release No. 36825 (Feb. 9, 1996), 61 FR 6052 (approving File No. SR-NASD-96-04, Series 37 and 38); Securities Exchange Act Release No. 37112 (April 12, 1996), 61 FR 17339 (approving File No. SR-NASD-96-13).

¹⁶ The Commission expects the Amex to implement the new odd-lot pricing procedures no later than the May 12, 1997 expiration of this pilot extension.

¹⁷ See Securities Exchange Act Release No. 35344 (Feb. 8, 1995), 60 FR 8430; Securities Exchange Act Release No. 36821 (Feb. 8, 1996), 61 FR 6050; Securities Exchange Act Release No. 37462 (July 19, 1996), 61 FR 39170; and Securities Exchange Act Release No. 38024 (Dec. 6, 1996), 61 FR 65623 (approving File No. SR-Amex-96-47).

¹⁸ 15 U.S.C. 78s(b)(2).

¹⁹ 17 C.F.R. 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

is for U.K. registrants who have successfully completed the basic exam of the U.K. and who are in good standing with The Securities Association ("TSA").⁴ Essentially, the modified Series 7 Examination deletes those substantive sections of the Standard Series 7 which overlap with the TSA examination. The Series 17 is a ninety (90) question examination dealing with U.S. securities laws, regulations, sales practices and special products drawn from the standard Series 7 Examination.

The Series 37 version is for Canadian registrants who have successfully completed the basic core module of the Canadian Securities Institute program. The Series 38 version is for Canadian registrants who, in addition to having successfully completed the basic core module of the Canadian Securities Institute program, have also successfully completed the Canadian option and futures program. Both the Series 37 and 38 share topics and test questions with the parent Series 7 program but cover only subject matter that is not covered, or not covered in sufficient detail, on the Canadian qualification examination. The Series 37 has 90 questions and is 150 minutes in duration, while the Series 38, an abbreviated version of the series 37, has only 45 questions and is 75 minutes in duration. Forty-five questions pertaining to options from the series 37 were omitted from the Series 38.

To become registered with the Exchange, qualified Japanese registered representatives in good standing with the Japanese securities authorities would be required to obtain a passing score on the Series 37. As a subset of the Series 7, this 160 question and 240 minute long module is designed to test a Japanese registered representative's knowledge of U.S. securities law, markets investment products, and sales practices.

The statutory basis for these foreign examination modules lies in Section 6(c)(3)(B) of the Act. Under that section, it is the Exchange's responsibility to prescribe standards of training, experience, and competence for persons associated with Exchange members and member organizations. Pursuant to this statutory obligation, the Exchange has adopted examinations that are administered to establish that persons associated with Exchange members and member organizations have attained

specified levels of competence and knowledge.

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

Because the foregoing proposed rule change: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; (3) does not become operative for thirty days from January 24, 1997, the date on which it was filed, and the Exchange provided the Commission with written notice of its intent to file the proposed rule change at least five business days prior to the filing date, it has become effective pursuant to Section 19(b)(3)(A) of this Act⁵ and Rule 19b-4(e)(6)⁶ thereunder. At any time within sixty days of the filing of the proposed 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.

V. 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, DC 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

Room. Copies of such filing will also be available for inspection and copying at the principal office of the CBOE. All submissions should refer to the file number in the caption above and should be submitted by March 12, 1997.

For the Commission by the Division of market Regulation pursuant to the delegated authority.⁷

Margaret H. McFarland,
Deputy Secretary.

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[Release No. 34-38271; File No. SR-DTC-96-23]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of Proposed Rule Relating to Revision of Fees

February 11, 1997.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on December 31, 1996, The Depository Trust Company ("DTC") 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 DTC. The Commission is publishing this notice to solicit comments from interested persons on the proposed rule change.

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

The proposed rule change revises the fees charged to users who are not DTC participants for automated reports listing the positions of DTC participants in an issue.

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 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

⁷ 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 DTC.

⁴ TSA is a U.K. self-regulatory organization which regulates members of the U.K. exchanges and broker-dealer firms, and has rule making authority granted to it by the Securities and Investment Board.

⁵ 15 U.S.C. 78s(b)(3)(A).

⁶ 17 CFR 240.19b-4(e)(6).