

order sending firms to receive automatic executions of professional market orders based on the CHX's BEST Rule.³ Limit orders sent with the "Z" designator will be represented on the specialist's book as professional orders. The "Z" designator can only be used by a firm after it negotiates with the specialist, and the specialist agrees to accept the firm's professional orders for automatic execution on MAX.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b)(5) of the Act in that it is designated to promote just and equitable principles of trade, to remove impediments to and to perfect the mechanism of a free and open market and a national market system, and, in general, to protect investors and the public interest.

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

The Exchange does not believe that the proposed rule change will impose a 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.

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

The foregoing rule change constitutes a stated policy, practice or interpretation with respect to the meaning, administration or enforcement of an existing rule of the Exchange and therefore has become effective pursuant to Section 19(b)(3)(A) of the Act⁴ and subparagraph (e) of Commission Rule 19b-4.⁵ At any time within 60 days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary of 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 forgoing.

³ See Article XX, Rule 37(a) of the CHX's Rules.

⁴ 15 U.S.C. 78s(b)(3)(A) (1988).

⁵ Rule 19b-4(e), 17 CFR 240.19b-4(e), provides that a proposed rule change may take effect upon filing with the Commission pursuant to Section 19(b)(3)(A) of the Act if, among other things, it effects a change in an existing order entry or trading system.

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 at the Commission's Public Reference Section, 450 Fifth Street NW., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the CHX. All submissions should refer to File No. SR-CHX-95-09 and should be submitted by April 14, 1995.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-7237 Filed 3-23-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-35513; File No. SR-DTC-95-05]

Self-Regulatory Organizations; the Depository Trust Company; Notice of Filing of a Proposed Rule Change Seeking Permanent Approval of Money Market Instrument Program

March 17, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on March 7, 1995, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-DTC-95-05) 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 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 proposed rule change seeks permanent approval of DTC's expanded money market instrument ("MMI") programs to which the Commission

¹ 15 U.S.C. 78s(b)(1) (1988).

previously granted temporary approval through April 30, 1995.²

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.

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

The proposed rule change seeks permanent approval of DTC's settlement services for transactions in additional types of MMIs, including institutional certificates of deposit, municipal commercial paper, and bankers' acceptances. The proposed rule change also seeks to permanently expand and to improve DTC's existing MMI programs for corporate commercial paper ("CP"), medium-term notes, preferred stock in a CP-like mode, short-term bank notes, and discount notes. The Commission previously granted DTC's expanded MMI program temporary approval through April 30, 1995.³

The new MMI programs, along with the existing MMI programs, are an extension of DTC's Same-Day Funds Settlement ("SDFS") system.⁴ The

² For a complete discussion of the issues regarding DTC's expanded MMI program, refer to Securities Exchange Act Release No. 33958 (April 22, 1994), 59 FR 22878 [File No. SR-DTC-93-12] (order temporarily approving proposed rule change).

³ *Supra* note 2.

⁴ DTC's SDFS system currently includes the following issue types: corporate commercial paper, municipal notes and bonds, municipal variable-rate demand obligations, zero coupon bonds backed by U.S. Government securities, continuously offered medium-term corporate notes, short-term bank notes, auction-rate and tender-rate preferred stocks and notes, collateralized mortgage obligations and other asset-backed securities, Government trust certificates and Government agency securities not eligible for the Fed's book-entry system, retail certificates of deposit, corporate and municipal variable mode obligations, corporate bonds, discount notes, and unit trusts. For a detailed description and discussion of DTC's SDFS system, including the implementation of the commercial paper program, refer to Securities Exchange Act Release Nos. 26051 (August 31, 1988), 53 FR 34853 [File No. SR-DTC-88-06] (order permanently approving DTC's SDFS system) and 30986 (July 31, 1992), 57 FR 35856 [File No. SR-DTC-92-01] (order approving implementation of commercial paper program).

automated operating procedures for MMIs are virtually the same as those followed by SDFS participants and by Institutional Delivery system users for basic depository services in other eligible SDFS securities. The MMI issues being made SDFS-eligible will be distributed in book-entry-only form by the issuer's issuing agent that, as in the commercial paper and medium-term note MMI programs, will send MMI issuance instructions to DTC electronically. Settlement of an issue will be on the same day as the issuance or on a specified future day. The issuer's paying agent, that will also serve as DTC's custodian, will hold a master or balance MMI certificate for DTC unless the issuer and its issuing and paying agent bank choose to distribute uncertificated MMIs through DTC.⁵ Because SDFS-eligible MMIs will be book-entry only, participant operating procedures for deposits and withdrawals will not apply to MMIs.

DTC believes the proposed rule change is consistent with the requirements of the Act, specifically Section 17A(b)(3)(A)⁶ of the Act, and the rules and regulations thereunder because the rule proposal will facilitate the prompt and accurate clearance and settlement of securities transactions in MMIs.

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

DTC does not believe that the proposed rule change will impact or impose a 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

DTC has not solicited comments on the proposed rule change. Discussions with DTC participants, including those on the Task Force established by the Public Securities Association's Money Market Committee to advise DTC on the operation of its MMI programs, indicate wide support for the proposed permanent expansion of the MMI program.

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

Within thirty-five days of the date of publication of this notice in the **Federal**

⁵ Uncertificated MMIs are not evidenced by any certificate whatsoever. Bills, notes, bonds, and other securities have been issued in uncertificated form by U.S. government and federal agencies for many years.

⁶ 15 U.S.C. 78q-1(b)(3)(A) (1988).

Register or within such longer period (i) as the Commission may designate up to ninety 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 DTC 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 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 Room, 450 Fifth Street NW., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of DTC. All submissions should refer to the file number SR-DTC-95-05 and should be submitted by April 14, 1995.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-7239 Filed 3-23-95; 8:45 am]

BILLING CODE 8010-01-M

Self-Regulatory Organizations; Midwest Clearing Corporation; Order Approving Proposed Rule Change Relating to Implementation of a Three-Day Settlement Standard

[Release No. 34-35514; File No. SR-MCC-94-16]

March 17, 1995.

On December 28, 1994, the Midwest Clearing Corporation ("MCC") filed a proposed rule change (File No. SR-MCC-94-16) with the Securities and Exchange Commission ("Commission") pursuant to section 19(b) of the

Securities Exchange Act of 1934 ("Act").¹ Notice of the proposal was published in the **Federal Register** on January 27, 1995, to solicit comments from interested persons.² As discussed below, this order approves the proposed rule change.

I. Description

In October 1993, the Commission adopted Rule 15c6-1 under the Act³ which establishes three business days after the trade date ("T+3"), instead of five business days ("T+5"), as the standard settlement cycle for most securities transactions. The rule will become effective June 7, 1995.⁴ Several of MCC's rules are interrelated with settlement time frames. The purpose of the proposed rule change is to amend MCC's rules to be consistent with a T+3 settlement standard for securities transactions.

The proposed rule change amends Interpretations and Policies .01 of Article II, Rule 2 of MCC's rules to shorten the time frame in which contract data or comparison data must be submitted to MCC to ensure that MCC has sufficient time to review such contracts and receive the necessary protection to guarantee the performance of such contract to the contra-broker in a T+3 environment. Under such interpretations, MCC reserves the right to cause such contract to be settled under the trade-by-trade system or to reverse the trade in the continuous net settlement system (1) if a regular way contract is not recorded by MCC in a participant's account until T+2, (2) if a regular way contract is not submitted by another clearing corporation for recordation in a participant's account until T+2, or (3) if the contract is to be settled through the participant's account at another clearing corporation and the contract is not recorded until T+1.

The proposed rule change also is amending Article III, Rule 2, Section 9 to state that a participant will be deemed to have requested delivery of a security if the participant has entered into contracts to be settled by MCC which will result in net settling sales of such security by the participant during the next two business days. The proposed rule change also amends the definition of "as-of contract" in Article I, Rule 1 to include contracts for which

¹ 15 U.S.C. 78s(b) (1988).

² Securities Exchange Act Release No. 35256 (January 20, 1995), 60 FR 5444.

³ 17 CFR 240.15c6-1.

⁴ Securities Exchange Act Release Nos. 33023 (October 6, 1993), 58 FR 52891 (adoption of Rule 15c6-1) and 34952 (November 9, 1994), 59 FR 59137 (changing effective date from June 1, 1995, to June 7, 1995).

⁷ 17 CFR 200.30-3(a)(12) (1994).