

the fees to be charged by the CBOE in connection with the telephones located at the OEX trading post is consistent with Section 6(b)(4) of the Act in that it is designed to provide for the equitable allocation of reasonable dues, fees, and charges among CBOE members.

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

The Exchange 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 30 days from May 12, 1995, 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 days prior to the filing date, it has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(e)(6) thereunder.⁵

At any time within 60 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.

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, 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 at the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the CBOE. All submissions should refer to File No. SR-CBOE-95-15 and should be submitted by June 14, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,
Deputy Secretary.

[FR Doc. 95-12693 Filed 5-23-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-35736; File No. SR-DTC-95-08]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Immediate Effectiveness of a Proposed Rule Change Relating to Fees Charged for Various Services

May 18, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on April 25, 1995, 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 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 purpose of the proposed rule change is to adjust DTC's fee schedule for various services.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.³

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, which will be effective for services provided on and after May 1, 1995, is to adjust the fees charged for various services to bring them closer to or to their respective estimated service costs for 1995.

Continuing DTC's annual practice of aligning service fees with estimated service costs, DTC's Board of Directors completed a review of its unit service costs for 1995 and adjusted many DTC service fees accordingly. The 1995 fee schedule has been set to yield \$11.4 million less in operating revenue on an annual basis than the 1994 fee schedule would have yielded. This will mark the ninth consecutive year in which DTC has not had to increase its overall schedule of service fees to users. Moreover, for the fourth consecutive year a significant fee reduction will be implemented.⁴

Section 17A(b)(3)(D) of the Act⁵ requires that the rules of a clearing agency provide for the equitable allocation of reasonable dues, fees, and other charges among its participants. DTC believes that the proposed rule change is consistent with the requirements of Section 17A(b)(3)(D) of the Act because its new fee schedule allocates its fees more equitably among its participants.

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

DTC 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

DTC informed participants and other users of its services of the proposed fee

³ The Commission has modified the text of the summaries prepared by DTC.

⁴ While some service fees were increased, others remained unchanged or were decreased making the net result an overall decrease in service fees.

Telephone conversation between Piku Thakkar, Attorney, DTC, and Margaret J. Robb, Attorney, Division of Market Regulation, Commission (April 27, 1995).

⁵ 15 U.S.C. 78q-1(b)(3)(D) (1988).

⁶ 17 CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. 78s(b)(1) (1988).

² The revised fee schedule is available for review in the Annex to Exhibit A of File No. SR-DTC-95-08. The file is available for review in the Commission's Public Reference Room and at the principal office of DTC.

⁵ 17 CFR 240.19b-4(e)(6) (1994).

revisions by a memorandum dated March 10, 1995, entitled "1995 Revisions of DTC Service Fees." Because participants have supported cost-based fees in the past and because overall the subject fee changes are modest, DTC believes that a formal period for participant comment was not necessary this year.

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)(ii)⁶ of the Act and Rule 19b-4(e)(2)⁷ thereunder because the rule change establishes or changes a due, fee, or other charge. At any time within sixty 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 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, 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 Room, 450 Fifth Street, N.W., 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 No. SR-DTC-95-08 and should be submitted by June 14, 1995.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-12699 Filed 5-23-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-35724; File No. SR-CSE-95-04]

Self-Regulatory Organizations; The Cincinnati Stock Exchange Incorporated; Order Approving Proposed Rule Change Relating to Implementation of a Three-Day Settlement Standard

May 17, 1995.

On April 4, 1995, The Cincinnati Stock Exchange Incorporated ("CSE") filed a proposed rule change (File No. SR-CSE-95-04) 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 April 17, 1995, to solicit comments from interested persons.² The Commission did not receive any comments. As discussed below, this order approves the proposed rule change.

I. Description

In October 1993, the Commission adopted Rule 15c6-1 under the Act which will become effective June 7, 1995.³ The rule 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. Several of the CSE's rules are interrelated with the standard settlement time frame. The purpose of the proposed rule change is to amend CSE's rules in order that they are consistent with a T+3 settlement standard for securities transactions.

The following changes to CSE rules are needed to implement the new settlement standard established by Rule 15c6-1. Rule 3.8(b)(1)(iii) will require that members receive reasonable assurance from the customer that a security will be delivered within three business days of the execution of the order. Rule 3.8(b)(2) will require that members note on order tickets that the customer has the ability to deliver stock within three business days. Rule 11.4 will provide that transactions in stocks (other than those made for "cash") shall be "ex-dividend" or "ex-rights" on the second business day preceding the record date fixed by the company or the date of the closing of transfer books except when the Board of Trustees of CSE rules otherwise. When the record

date or closing of transfer books occur upon a day other than a business day, transactions in stocks shall be "ex-dividend" or "ex-rights" on the third preceding business day.

CSE has requested that the proposed rule change become effective on the same date as Rule 15c6-1, which will be June 7, 1995. The transition from five day settlement to three day settlement will occur over a four day period.⁴

II. Discussion

The Commission believes the proposal is consistent with the requirements of Section 6 of the Act.⁵ Specifically, Section 6(b)(5) states that the rules of the exchange must be designed to foster cooperation and coordination with persons engaged in regulating, clearing, settling, and processing information. On June 7, 1995, the new settlement cycle of T+3 will be established, as mandated by the Commission's Rule 15c6-1. As a result, the CSE's current rules based on a T+5 settlement cycle will be inconsistent with this rule. This proposal will amend the CSE's rules to harmonize them with the Commission Rule 15c6-1 and with a T+3 settlement cycle.

In addition, the Commission believes that the proposed rule change is consistent with Section 6(b)(5) of the Act in that it protects investors and the public interest by reducing the risk to clearing corporations, their members, and public investors which is inherent in settling securities transactions. The reduction of the time period for settlement of most securities transactions will correspondingly decrease the number of unsettled trades in the clearance and settlement system at any given time. Thus fewer unsettled trades will be subject to credit and market risk.⁶

IV. Conclusion

For the reasons stated above, the Commission finds that CSE's proposal is consistent with Section 6 of the Act.⁷

⁴ Friday, June 2, will be the last trading day with five business day settlement. Monday, June 5, and Tuesday, June 6, will be trading days with four business day settlement. Wednesday, June 7, will be the first trading day with three business day settlement. As a result, trades from June 2 and June 5 will settle on Friday, June 9. Trades from June 6 and June 7 will settle on Monday, June 12.

⁵ 15 U.S.C. 78f (1988).

⁶ The release adopting Commission Rule 15c6-1 stated, "[T]he value of securities positions can change suddenly causing a market participant to default on unsettled positions. Because the markets are interwoven through common members, default at one clearing corporation or by a major market participant or end-user could trigger additional failures resulting in risk to the national clearance and settlement system." Securities Exchange Act Release No. 33023 (October 6, 1993), 58 FR 52891.

⁷ 15 U.S.C. 78f (1988).

¹ 15 U.S.C. 78s(b) (1988).

² Securities Exchange Act Release No. 35580 (April 7, 1995), 60 FR 19312.

³ Securities Exchange Act Release Nos. 33023 (October 6, 1993), 58 FR 52891 (adopting Rule 15c6-1) and 34952 (November 9, 1994), 59 FR 59137 (changing effective date from June 1, 1995, to June 7, 1995).

⁶ 15 U.S.C. 78s(b)(3)(A)(ii) (1988).

⁷ 17 CFR 240.19b-4(e)(2) (1994).

⁸ 17 CFR 200.30-3(a)(12) (1994).