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 will also be available for inspection and copying at the principal office of PTC. All submissions should refer to File No. SR–PTC–95–04 and should be submitted by June 20, 1995.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–13073 Filed 5–26–95; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 34–35739; File No. SR–PHILADEP–95–02]

Self-Regulatory Organizations; Philadelphia Depository Trust Company; Notice of Filing and Order Granting Accelerated Approval of A Proposed Rule Change to Modify the Philadelphia Depository Trust Company's Interface With The Depository Trust Company's Institutional Delivery System

May 19, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on April 24, 1995, the Philadelphia Depository Trust Company (''PHILADEP'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change (File No. SR–PHILADEP–95–02) as described in Items I and II 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 persons and to grant accelerated approval of the proposed rule change.

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

PHILADEP proposes to modify its interface with The Depository Trust Company's (''DTC'') Institutional Delivery (''ID'') system to provide PHILADEP participants with the ability to send and receive trade confirmations and affirmations on an interactive basis and to provide participants greater control over certain risks resulting from incorrectly inputted trade data.[2] PHILADEP also proposes to modify the interface to facilitate the interactive transmission of certain trade reports between DTC and PHILADEP.

II. Self-Regulatory Organization's Statements of the Purpose of, and 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, as set forth in sections (A), (B), and (C) below, of the most significant aspects of these statements.[3]

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

DTC's ID system allows the parties involved in an institutional trade (*e.g.*, broker-dealer, institution, and custodian bank) to confirm, affirm, and settle the trade. The confirmation and affirmation process helps to reduce the circumstances where trades will not settle because a party ''does not know'' (''DKs'') the trade. PHILADEP has been operating an interface with DTC for the settlement of institutional trades for several years, and its interface with DTC's ID system provides PHILADEP participants a single channel to electronically coordinate all post-trade activity among broker-dealers, institutions, and custodians from trade confirmation through final settlement. DTC recently implemented enhancements to its ID system to provide users with the capability of accomplishing all ID system processing on an interactive basis throughout a business day while also providing participants with the option to continue transmissions in batch mode.[4]

The purpose of PHILADEP's proposed rule change is to modify its interface with DTC's ID system to provide PHILADEP participants with the ability to send and receive trade confirmations and affirmations on an interactive basis and to provide participants greater control over certain risks resulting from incorrectly inputted trade data. When entering trade data into the ID system, PHILADEP broker-dealer participants will have to assign and enter a unique broker-dealer confirm number corresponding to each ID trade that the broker-dealer submits. The ID system will not accept duplicate broker-dealer confirm numbers, and it will reject the trade if (i) the PHILADEP participant omits the confirmation number or (ii) the confirmation number matches an existing ID trade. ID system users that are participants of both DTC and PHILADEP will continue to have the ability to initially submit the trade details to PHILADEP and to affirm directly with DTC or with PHILADEP.

PHILADEP participants also will be required to comply with the modified procedures for cancelling a trade previously entered into the ID system. The ID system does not allow participants to ''back-out'' a trade; therefore, participants must cancel it by providing the confirmation number of the existing ID trade being cancelled and by entering the appropriate reason code for cancelling the trade. PHILADEP participants can no longer enter a numerical value of all nines in the ''Other Charges'' data field to signify a trade cancellation.

Finally, PHILADEP also proposes to modify the interface to facilitate the interactive transmission of certain trade reports between DTC and PHILADEP. PHILADEP will be able to receive reports of affirmed and unaffirmed trades as often as needed from DTC and will provide such reports to its participants.

PHILADEP believes the proposed rule change is consistent with Section 17A of the Act and the rules and regulations thereunder because modifying PHILADEP's interface with DTC's ID system to allow for the interactive receipt and delivery of trade confirmations and affirmations and for

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[7] 17 CFR 200.30–3(a)(12) (1994).

[1] 15 U.S.C. 78s(b)(1) (1988).

[2] Some participants may continue to transmit to PHILADEP in batch mode; however, PHILADEP will process interactively with DTC.

[3] The Commission has modified the text of the summaries submitted by PHILADEP.

[4] For a description of DTC's enhancements to its ID system to provide for interactive processing capabilities, refer to Securities Exchange Act Release No. 34199 (June 10, 1994), 59 FR 31660 [File No. SR–DTC–94–04] (granting accelerated approval of a proposed rule change).

the interactive receipt and distribution of certain trade reports will facilitate the prompt and accurate clearance and settlement of securities transactions.

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

PHILADEP does not believe that the proposed rule change will impact 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

No written comments have been solicited or received. PHILADEP will notify the Commission of any written comments received.

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

Section 17A(b)(3)(F)[5] of the Act requires the rules of a clearing agency be designed to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions and to provide for the prompt and accurate clearance and settlement of securities transactions. The Commission believes that PHILADEP's proposal to modify its interface with DTC's ID System to enable interactive communication should help cooperation and coordination among PHILADEP and DTC and the parties involved in institutional trades. The Commission further believes that the proposed interactive capability is consistent with PHILADEP's obligation to provide for the prompt and accurate clearance and settlement of securities transactions because it should help PHILADEP participants to settle institutional trades in a T+3 settlement cycle, which will be the standard settlement time for most broker dealer trades beginning June 7, 1995.[6] Currently, institutional trades settle on a T+5 cycle.

PHILADEP has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of the filing. The Commission finds good cause for so approving the proposed rule change because timely settlement of institutional trades is critical to the successful conversion to T+3 and accelerated approval of the proposed rule change will allow PHILADEP participants to utilize and become familiar with the interactive capabilities available through PHILADEP's modified interface with DTC's ID system prior to the implementation of T+3 settlement.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making such 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 Section, 450 Fifth Street, NW., Washington, DC 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 No. SR–PHILADEP–95–02 and should be submitted by June 20, 1995.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR–PHILADEP–95–02) be, and hereby is, approved.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–13074 Filed 5–26–95; 8:45 am]

BILLING CODE 8010–01–M

[5] 15 U.S.C. 78q–1(b)(3)(F) (1988).

[6] For a detailed description and discussion of the conversion to a three business day settlement cycle, refer to Securities Exchange Act Release Nos. 33023 (October 13, 1993) 58 FR 52891 [File No. S7–5–93] (adoption of Commission 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).

[Release No. IC—21087; International Series Release No. 812; 812–7846]

Citibank, NA., et al.; Notice of Application

May 22, 1995.

AGENCY: Securities and Exchange Commission (''SEC'').

ACTION: Notice of Application for Exemption under the Investment Company Act of 1940 (''1940 Act'').

APPLICANTS: Citibank, N.A. (''Citibank'') and Citicorp.

RELEVANT 1940 ACT SECTIONS: Exemption requested under section 6(c) from section 17(f) and rule 17F–5.

SUMMARY OF APPLICATION: Applicants seek conditional exemptive relief from section 17(f) of the 1940 Act and rule 17f–5 thereunder with respect to two forms of foreign custody arrangements. The requested exemption would amend an existing order (the ''1992 Order'')[1] allowing Citibank, acting as custodian or subcustodian, to deposit the securities of United States investment companies with certain foreign subsidiaries of the Applicants. The requested exemption also would allow Citibank to make available direct custody arrangements between United States investment companies and certain foreign subsidiaries of the Applicants.

FILING DATES: The application was filed on January 7, 1992, and was amended and restated on September 8, 1992, May 19, 1993, November 21, 1994, April 24, 1995, and May 22, 1995.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving Applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on June 16, 1995, and should be accompanied by proof of service on Applicants, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 5th Street, NW., Washington, DC 20549. Applicants, c/o Caroline F. Marks, Esq., GTS-Legal, 111 Wall Street, 15th Floor, Zone 9, New York, New York 10043.

FOR FURTHER INFORMATION CONTRACT: H.R. Hallock, Jr., Special Counsel, at (202) 942–0564 (Office of Investment Company Regulation, Division of Investment Management) .

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch.

[1] Investment Company Act Release Nos. 18710 (May 15, 1992) (notice) and 18782 (June 12, 1992) (order).