

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

OCC 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

Comments were not and are not intended to be solicited by OCC with respect to the proposed rule change, and none were received. Since approval of the original proposed rule change modifying its letter of credit standards, OCC has received no adverse comments or complaints from any of its clearing members, the banks, or other interested parties with respect to the modifications to Rule 604 or to the implementation of the revised letter of credit standards.

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

Section 17A(b)(3)(F) of the Act requires that the rules of a clearing agency be designed to assure the safeguarding of securities and funds in its custody or control or for which it is responsible.⁷ The Commission believes that the proposed rule change is consistent with OCC's obligations under Section 17A(b)(3)(F) because the modified standards for letters of credit will enable OCC to draw upon a letter of credit at any time that OCC determines that such a draw is advisable to protect OCC, other clearing members, or the general public. This ability increases the liquidity of its margin deposits by enabling OCC to substitute cash collateral for a clearing member's letter of credit and consequently, will permit OCC to rely more safely upon such letters of credit. In addition, by eliminating the issuer's right to revoke the letter of credit, an issuer will no longer be able to revoke a letter of credit at a time when the clearing member is experiencing financial difficulty and most needs credit facilities. Finally, requiring that the letters of credit expire quarterly rather than annually will result in the issuers conducting more frequent credit reviews of the clearing members for whom the letters of credit are issued. More frequent credit reviews will facilitate the discovery of any adverse developments in a more timely manner. By approving the proposed rule change on a temporary basis through June 28, 1996, OCC, the Commission, and other interested parties will be able to assess further, prior to permanent Commission approval, any effects the

revised standards have on letter of credit issuance and on margin deposited at OCC.⁸

OCC has requested that the Commission find good cause for approving the proposed rule change on an accelerated basis 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 accelerated approval will allow the changes that have been implemented pursuant to the previous temporary approval order to remain in place during the further assessment of any effects the revised standards have on the issuance of letters of credit and on margin deposited at OCC pending permanent approval.

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, DC 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-95-09 and should be submitted by September 19, 1995.

V. Conclusion

On the basis of the foregoing, the Commission finds that OCC's proposed

⁸The Commission and OCC currently are studying concentration limits on letters of credit deposited as margin. The Division believes that clearing agencies that accept letters of credit as margin deposits or clearing fund contributions should limit their exposure by imposing concentration limits on the use of letters of credit. Generally, clearing agencies impose limitations on the percentage of an individual member's required deposit or contribution that may be satisfied with letters of credit, limitations on the percentage of the total required deposits or contributions that may be satisfied with letters of credit by any one issuer, or some combination of both. OCC has no concentration limits on the use of letters of credit issued by U.S. institutions.

rule change is consistent with the Act and in particular with Section 17A of the Act.

It is therefore ordered, under Section 19(b)(2) of the Act, that the proposal (File No. SR-OCC-95-09) be, and hereby is, approved on a temporary basis through June 28, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁹

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-21354 Filed 8-28-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36131; International Series Release No. 844 File No. SR-Phlx-95-52]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Philadelphia Stock Exchange, Inc. Relating to Customized Expiration Dates for Customized Foreign Currency Options

August 22, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), notice is hereby given that on July 27, 1995, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange") 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 by the Phlx. 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 Phlx proposes to amend Exchange Rule 1069(a) in order to offer the ability to trade customized foreign currency options ("Customized FCOs") with any expiration date up to two years from the date of issuance. The text of the proposed rule change is available at the Office of the Secretary, the Phlx, and at the Commission.

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 Phlx 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

⁷ 15 U.S.C. § 78q-1(b)(3)(F) (1988).

⁹ 17 CFR 200.30-3(a)(12) (1994).

in Item IV below. The Phlx 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

On November 1, 1994, the Commission approved the Exchange's proposal to trade Customized FCOs.¹ Customized FCOs provide users of the Exchange's foreign currency options ("FCOs") markets with the ability to customize the strike price and quotation method and to choose any underlying and base currency combination out of all Exchange-listed currencies, including the U.S. dollar, for their FCO transactions. The Phlx represents that Customized FCOs were introduced to attract institutional customers who enjoy the flexibility and variety offered in the over-the-counter foreign currency market but who prefer the benefits attributed to an exchange auction market for hedging their exchange rate risks.

The Exchange now proposes to add a new feature to Customized FCOs—customized expiration dates. Presently, users can only trade Customized FCO contracts with expiration dates corresponding to those for non-Customized FCOs pursuant to Exchange Rule 1012. Thus, Customized FCO contracts with mid-month and end-of-month expirations at 1, 2, 3, 6, 9, 12, 18, and 24 months may be traded.

Under this proposal, Customized FCO contracts expiring on any business day (excluding Exchange holidays (e.g., Memorial Day) and Exchange-designated holidays (e.g., Boxing Day)) in any month up to two years from the date of issuance would be available. The Exchange represents that institutions and multinational corporations will thus be able to hedge their exchange rate exposure more accurately by trading a contract that expires on any trading day that they choose.

Under the proposal, any Customized FCO contract opened with a customized expiration date will cease trading at 9:00 a.m., Philadelphia time, on its expiration date and will expire at 10:15 a.m., Philadelphia time, on that date. Customized FCOs with expiration dates pursuant to Phlx Rule 1012 (i.e., Customized FCOs with expiration dates corresponding to the expiration dates for non-Customized FCOs) will not follow this procedure. These option

contracts will still cease trading at 2:30 p.m., Philadelphia time, on their expiration dates, and expire at 11:59 p.m., Philadelphia time, on those dates, even if intentionally or unintentionally designated as a Customized FCO with a customized expiration date. New series of Customized FCOs with "same day" expiration dates may not be opened, but open positions can be reduced or increased on their expiration date. The Exchange represents that the Options Clearing Corporation (OCC) will use a pro rata assignment process instead of the current random assignment process for Customized FCOs with customized expiration dates.

The Exchange believes that the proposed rule change is consistent with Section 6 of the Act, in general, and with Section 6(b)(5), in particular, in that it is designed to promote just and equitable principles of trade, prevent fraudulent and manipulative acts and practices, facilitate transactions in securities, remove impediments to and perfect the mechanism of a free and open market and a national market system, and protect investors and the public interest by offering users of FCOs the ability to customize the expiration dates of the Customized FCOs in order to better hedge their exchange rate risks.

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

The Phlx does not believe that this proposed rule change will impose any inappropriate 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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 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 the self-regulatory organization 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, 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. Copies of such filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to File No. SR-Phlx-95-52 and should be submitted by September 19, 1995.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-21357 Filed 8-28-95; 8:45 am]

BILLING CODE 8010-01-M

SMALL BUSINESS ADMINISTRATION

[License No. 09/79-0404]

Bay Partners SBIC, L.P.; Notice of Issuance of a Small Business Investment Company License

On Wednesday, June 14, 1995, a notice was published in the **Federal Register** (Vol. 60, No. 114, FR 31344) stating that an application had been filed by Bay Partners SBIC, L.P., at 10600 North De Anza Boulevard, Suite 100, Cupertino, California 95014, with the Small Business Administration (SBA) pursuant to § 107.102 of the Regulations governing small business investment companies (13 CFR 107.102 (1995)) for a license to operate as a small business investment company.

Interested parties were given until close of business Wednesday, June 28, 1995 to submit their comments to SBA. No comments were received.

Notice is hereby given that, pursuant to Section 301(c) of the Small Business Investment Act of 1958, as amended, after having considered the application

¹ See Securities Exchange Act Release No. 34925 (November 1, 1994), 59 FR 55720 (November 8, 1994).

² 17 CFR 200.30-3(a)(12) (1994).