available for inspection and copying at the principal office of the NASD. All submissions should refer to File No. SR-NASD-96-44, and should be submitted by January 21, 1997.

IV. The Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

The Commission has reviewed carefully the proposed rule change of NASD Regulation, and concludes that the proposed rule change is consistent with the requirements of the Act and rules and regulations thereunder applicable to a national securities association, and particularly with Section 15A(b)(6) of the Act.

Rule 10335 is intended to provide a pilot system within the NASD arbitration forum to process requests for temporary injunctive relief. The Rule is intended principally to facilitate the disposition of employment disputes and related disputes concerning whether registered representatives who move to other firms may transfer their accounts to their new firms. The Commission finds that it is appropriate to extend the pilot for one year. During that time, the Commission and NASD Regulation will be able to evaluate the success of the Rule, to solicit additional comments, to develop modifications or interpretations of the Rule in response to these comments, and to determine whether to extend the pilot further or to make the Rule permanent.

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. The Commission believes that it is appropriate to approve the proposed rule change on an accelerated basis so that members can continue to have the benefit of injunctive relief in arbitration without interruption. The Rule was previously available through the pilot, and the Commission is extending the pilot only for one year. The Commission believes, therefore, that granting accelerated approval of the proposed rule change is appropriate and consistent with Section 15A of the Act.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that File No. SR-NASD-93-44, as amended, be, and hereby is, approved on a one-year pilot basis, effective January 3, 1997.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.\(^5\)


Margaret H. McFarland,
Deputy Secretary,
[FR Doc. 96-33058 Filed 12-27-96; 8:45 am]
BILLING CODE 8010-01-M

[Release No. 34-38070; File No. SR-OCC-96-19]

Self-Regulatory Organizations; The Options Clearing Corporation; Notice of Filing of a Proposed Rule Change Relating to the Expiration Time and Assignment Processing Procedures for Certain Flexibly Structured Foreign Currency Options

December 20, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),\(^1\) notice is hereby given that on December 17, 1996, The Options Clearing Corporation ("OCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-OCC-96-19) as described in Items I, II, and III below, which items have been prepared primarily by OCC. 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 change the expiration time and assignment processing procedures for certain flexibly structured foreign currency options.

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

In its filing with the Commission, OCC included statements concerning the purpose 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. OCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.\(^2\)

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

The proposed rule change will change the expiration time and assignment processing procedures for certain flexibly structured foreign currency options, including certain flexibly structured cross-rate foreign currency options. Specifically, flexibly structured foreign currency options and flexibly structured cross-rate foreign currency option (collectively referred to as "flexibly structured FCOs") listed for trading after January 14, 1997, and expiring on or after April 1, 1997, will expire at 10:15 a.m. Eastern Time ("ET") instead of 11:59 p.m. ET. Furthermore, OCC propose that all flexibly structured FCOs will be subject to pro rata assignment.

The Philadelphia Stock Exchange ("PHLX") presently trades two types of flexibly structured FCO contracts. They are (1) flexibly structured FCOs for which market participants do not specify an expiration date ("standard flex FCOs") which expire on standard mid-month and end-of-month expiration dates at 11:59 p.m. ET (expiration time is consistent with standard foreign currency options); and (2) custom dated flexibly structured FCOs ("custom dated flex FCOs") for which market participants specify the expiration date and which expire at 10:15 a.m. ET on that expiration date. Exercise notices regarding standard flex FCOs are subject to random assignment processing while pro rata assignment processing is applied to exercise notices regarding custom dated flex FCOs. PHLX has requested that OCC modify its rules to provide that the expiration time for both types of flexibly structured FCOs be 10:15 a.m. ET on their expiration date, and that it exercises in respect thereof be assigned pursuant to OCC's pro-rata procedures.\(^3\) PHLX also has requested that this change be effective for any standard flex FCOs listed for trading after January 14, 1997, with an expiration on or after April 1, 1997. Accordingly, any standard flex FCO contract established on or before January 14, 1997, will expire at 11:59 p.m. ET and be subject to a random assignment process. Currently, there is open interest in standard flex FCO contracts expiring mid-month and end-of-month for the months of March, April, July, September, and October 1997.\(^4\) Since existing standard flex

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\(^2\) The Commission has modified the text of the summaries submitted by OCC.

\(^3\) The Commission has already approved a proposed rule change by PHLX regarding the expiration time and assignment procedures for flexibly structured FCOs. Securities Exchange Act Release No. 37718 (September 24, 1996), 61 FR 51479 [File No. SR-PHLX-96-13] (order approving a proposed rule change concerning the trading hours and expiration times for customized foreign currency options).

\(^4\) Notwithstanding the above, PHLX has indicated that it may ask holders of existing series to direct OCC to adjust the expiration time so that such
FCOs will be exempt from the new proposed procedures, OCC may be required to run two separate processing cycles, one in the morning and one in the evening. OCC has represented to the Commission that running these separate processing cycles will not adversely affect OCC. Additionally, OCC believes that the change in assignment processing is merely a change in OCC’s procedures and does not affect the methodologies of either the random or pro rata assignment process.

OCC is proposing to amend certain definitions in its by-laws to accommodate PHLX’s request.5 The proposed changes to Section 1 of Articles I, XV, and XX of the by-laws should more accurately define the distinction between standard foreign currency options and flexibly structured foreign currency options with respect to expiration dates and times and should clarify that, but for flexibly structured FCOs established on or before January 14, 1997, all flexibly structured FCOs, whether standard flex FCOs or custom dated flex FCOs, will expire at 10:15 a.m. on the expiration date and be subject to a pro rata assignment process. In addition, Section 1.E(4)(iii) is being added to Articles XV and XX of OCC’s by-laws as a transitional rule to govern the expiration time and assignment process to be used for existing standard FCO contracts and to exempt such standard FCO contracts from the proposed rule change. OCC believes that these proposed changes will create uniformity in the expiration time and assignment processing procedure for all flexibly structured FCOs.

OCC believes the proposed rule change is consistent with the requirements of Section 17A of the Act6 because it is designed to promote the prompt and accurate clearance and settlement of securities transactions.

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

OCC does not believe that the proposed rule change will impose any burden on competition.

(17 CFR 200.30–3(a)(12)).

SOCIAL SECURITY ADMINISTRATION
Social Security Ruling SSR 96–10p

Electronic Service Delivery

AGENCY: Social Security Administration.

ACTION: Notice of Social Security Ruling.

SUMMARY: In accordance with 20 CFR 422.406(b)(1), the Commissioner of Social Security gives notice of Social Security Ruling SSR 96–10p. This Policy Interpretation Ruling represents the Social Security Administration’s (SSA) policy for allowing our customers to communicate with us electronically by our acceptance of reports, requests, applications, and other information through access methods such as the Internet, video conferencing, and dial-up phone systems. By such methods, we will be able to accept reports, requests, applications, and other information. The Ruling also sets out our policy making electronic and digital signatures the functional equivalent of traditional handwritten signatures in certain situations which will be separately specified by SSA. We call these efforts to provide electronic service options to our customers electronic service delivery (ESD).

This Ruling facilitates our attempts to better serve our customers through the use of electronic service delivery technologies. It is not our intention that customers must conduct business with us electronically. Rather, we are providing our customers with an optional way of doing business while ensuring that the information communicated through ESD methods is secure and reliable as it is technologically possible and feasible to make it for SSA’s activities.

EFFECTIVE DATE: December 30, 1996.

FOR FURTHER INFORMATION CONTACT: Joanne K. Castello, Division of Regulations and Rulings, Social Security Administration, 6401 Security Boulevard, Baltimore, MD 21235, (410) 965–1711.

SUPPLEMENTARY INFORMATION: Although we are not required to do so pursuant to 5 U.S.C. 552(a)(1) and (a)(2), we are publishing this Social Security Ruling in accordance with 20 CFR 422.406(b)(1).

Social Security Rulings make available to the public precedential orders, opinions, and statements of policy and interpretations adopted by SSA relating to the Federal old-age, survivors, disability, supplemental security income, and black lung benefits programs. Social Security Rulings may be based on case decisions made at all administrative levels of adjudication,