

Under Rule 8.51, the firm quote size minimum will not apply whenever a "fast market" is declared under rule 6.6, and may be suspended for any class or series on a case by case basis as determined by the Market Performance Committee.

CBOE believes the proposed rule change will contribute to a market that will instill an increasing customer confidence and ability to transact business in an increasingly efficient manner. CBOE believes the proposed rule change is consistent with Section 6(b) of the Securities Exchange Act of 1934 (the "Exchange Act") in general and furthers the objectives of Section 6(b)(5) in particular by providing rules that perfect the mechanisms of a free and open market and that protect investors and the public interest.

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

CBOE does not believe that the 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, 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 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 CBOE. All submissions should refer to the file number in the caption above and should be submitted by March 7, 1995.

For the Commission, by the Division of Market Regulation, pursuant to the delegated authority.¹

Margaret H. McFarland,

Deputy Secretary.

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[Release No. 34-35342; File No. SR-DTC-94-19]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of Proposed Rule Change Regarding Implementation of New Guidelines Regarding Principal and Income Payments in a Same-Day Funds Environment

February 8, 1995.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on December 5, 1994, 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. On January 24, 1995, DTC amended the proposed rule change to include a statement that the proposed rule change did not impose any burden on competition not necessary or appropriate in furtherance of the purposes of the Act.² 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 consists of modifications to the existing operational arrangements necessary for a securities issue to become eligible for DTC's

services. Specifically, the rule change calls for changes to the processing of principal and income distributions in a same-day funds environment.³

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 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

DTC's operational arrangements are designed to maximize the number of issues that can be made depository eligible while ensuring orderly processing and timely payments to participants. DTC's experience demonstrates that when issuers, underwriters, and their counsel are aware of DTC's requirements those requirements can be met almost without exception.⁴ The purpose of the proposed rule change is to incorporate in DTC's operational arrangements memorandum principles for the processing of principal and income payments in same-day funds.⁵ Towards this end, the operational arrangements memorandum will incorporate the relevant provisions of the "Standards

³ Same-day funds, which are also known as "Fed funds", are immediately available for redelivery on the day of receipt.

⁴ During 1993, a total of 392,000 new issues were made eligible for DTC's services. This was 99.94% of all new issues submitted to DTC's Underwriting Department for eligibility determinations. These figures include equity, corporate debt, municipal debt, and U.S. Government and Agency securities. In the unusual circumstance where the processing characteristics of a new issue that is being structured would not meet DTC's operational arrangements, if contacted early enough in the planning process DTC staff often is able to assist in suggesting restructuring alternatives that would permit the issue to be made depository eligible.

⁵ DTC's operational arrangements memorandum was published in June 1987 and was updated in both June 1988 and February 1992. For a complete description of the operational arrangements memorandum, refer to Securities Exchange Act Release No. 24818 (August 19, 1987), 52 FR 31833 [File No. SR-DTC-87-10] (order approving the implementation of DTC's operational arrangements for the eligibility of security issues), and Securities Exchange Act Release No. 30625 (April 30, 1992), 57 FR 18534 [File No. SR-DTC-92-06] (order approving modifications to DTC's operational arrangements).

¹ 17 CFR 200.30-3(a)(12) (1994).

² 15 U.S.C. 78s(b)(1) (1988).

³ Letter from Piku Thakkar, Assistant Counsel, DTC, to Peter R. Geraghty, Division of Market Regulation, Commission (January 24, 1995).