delete reference in Rule 5(d)(viii) (Over-the-Counter Execution of Equity Securities Transactions) to Rules 560 and 570 because these rules have been rescinded. Because Rules 560 and 570 no longer exist, the Commission agrees that these references should be deleted. The Exchange is also proposing to delete the signature requirement in Rule 181 (Cancellations Must Be Written) to reflect its current practice. The Exchange believes that the signature requirement is no longer necessary on the Trading Floor because of the use of printed tickets, which include the name and clearing number of the broker or brokerage firm. The Commission agrees that this change to remove the signature requirement is appropriate in light of technological developments in the market.

The Exchange is also proposing to amend Rules 183 (Specialist Registration Fee) and 184 (Specialist Clerks) to eliminate references to out-of-date charges and schedule of payments. The Commission agrees that the rules should be revised to delete references to the outdated fees and payment schedules. Rather than make repeated amendments in the Rules whenever the fees are changed, the Exchange proposes to use general language in these rules to refer to the fees that are imposed by the Exchange each year. The Exchange is also amending Rule 783 (d) (Normal Buy-Ins) to delete the reference to a member's entitlement to a Floor brokerag commission because such commissions are now negotiated. The Commission believes that these changes will help to remove impediments to and perfect the mechanism of a free and open market in accordance with Section 6(b)(5) of the Act.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[5] that the proposed rule change (SR–Amex–95–10) is approved.

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

[FR Doc. 95–10044 Filed 4–21–95; 8:45 am]

BILLING CODE 8010–01–M

[5] 15 U.S.C. 78s(b)(2) (1988).

[6] 17 CFR 200.30–3(a)(12) (1994).

[Release 34–35618; File No. 600–23]

Self-Regulatory Organizations; Government Securities Clearing Corporation; Notice of Filing of an Amended Application for Full Clearing Agency Registration and a Request for Extension of Temporary Registration as a Clearing Agency

April 17, 1995.

Notice is hereby given that on February 3, 1995, the Government Securities Clearing Corporation (''GSCC'') filed with the Securities and Exchange Commission (''Commission'') an application, pursuant to Sections 17A and 19(a) of the Securities Exchange Act of 1934 (''Act''),[1] requesting that the Commission grant GSCC full registration as a clearing agency or, in the alternative, extend GSCC's temporary registration as a clearing agency until such time as the Commission is able to grant GSCC permanent registration.[2] On March 13, 1995, GSCC filed with the Commission an amended CA–1. The Commission is publishing this notice to solicit comments from interested persons on the request for extension of registration.

On May 24, 1988, the Commission approved, pursuant to Sections 17A and 19(a) of the Act and Rule 17Ab2–1(c) thereunder,[3] the application of GSCC for registration as a clearing agency on a temporary basis for a period of three years.[4] The Commission subsequently extended GSCC's registration until May 31, 1995.[5]

GSCC provides clearance and settlement services for its members' transactions in government securities. GSCC offers its members services for next-day settling trades, forward settling trades, auction takedown activity, the multilateral netting of trades, the novation of netted trades, and daily marking-to-the-market. In connection with GSCC's clearance and settlement services, GSCC provides a centralized loss allocation procedure and maintains margin to offset netting and settlement risks.

At the time of GSCC's initial registration, the Commission granted GSCC exemptions from compliance with the participation standards in Sections 17A(b)(3)(B) and 17A(b)(4)(B) and the fair representation requirements in Section 17A(b)(3)(C) of the Act.[6] GSCC has requested that the Commission remove GSCC's exemption from the participation standards in Section 17A(b)(3)(B) and 17A(b)(4)(B) of the Act.[7] The Commission recently has approved two proposed rule changes that increase the categories of those eligible for membership in GSCC's netting system.[8] In addition, GSCC has asserted that its current selection process for its board of directors, which permits any GSCC member to nominate candidates for election to the Board and to vote for candidates so nominated, assures fair representation.[9] GSCC further states that it recognizes future membership growth may require GSCC to adjust the selection process to ensure fair member representation on the Board. The Commission is reviewing GSCC's request to remove the exemptions.

Interested persons are invited to submit written data, views, and arguments concerning the foregoing application by May 15, 1995. Such written data, views, and arguments will be considered by the Commission in granting registration or instituting proceedings to determine whether registration should be denied in accordance with Section 19(a)(1) of the Act.[10] Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549. Reference should be made to File No. 600–23. Copies of the amended application for registration and all written comments will be available for inspection at the Commission's Public

[1] 15 U.S.C. 78q–1, 78s(a) (1988).

[2] Letter from Charles A. Moran, President, GSCC, to Brandon Becker, Director, Division of Market Regulation, Commission (February 3, 1995) (''Registration Letter'').

[3] 17 CFR 240.17Ab2–1 (1994).

[4] Securities Exchange Act Release No. 25740 (May 24, 1988), 53 FR 19639.

[5] Securities Exchange Act Release Nos. 29067 (April 11, 1991), 56 FR 15652 and 32385 (June 3, 1993), 58 FR 32405.

[6] The Commission determined that GSCC's rules did not enumerate the statutory categories of membership as required by Section 17A(b)(3)(B) and the financial standards for applicants and members as contemplated by Section 17A(b)(4)(B) of the Act. 15 U.S.C. 78q–1(b)(3)(B), 78q–1(b)(4)(B) (1988). In addition, the Commission determined that while the composition of GSCC's Board of Directors reasonably reflected GSCC's anticipated initial membership, it would be appropriate to reevaluate whether GSCC's process for selecting its Board of Directors complied with the fair representation requirements in Section 17A(b)(3)(C) of the Act before granting full registration as a clearing agency. 15 U.S.C. 78q–1(b)(3)(C) (1988).

[7] See Registration Letter, note 2 supra.

[8] Securities Exchange Act Release Nos. 34935 (November 3, 1994), 59 FR 56100 (order approving establishment of new categories of netting system membership for futures commission merchants) and 32722 (August 5, 1993), 58 FR 42993 (order approving establishment of new categories of netting system membership for dealer and interdealer brokers, issuers of government securities, insurance companies, registered clearing agencies, and registered insurance companies).

[9] See Registration Letter, note 2 *supra.*

[10] 15 U.S.C. 78s(a)(1) (1988).

Reference Room, 450 Fifth Street, NW., Washington, DC 20549.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[11]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–9986 Filed 4–21–95; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 34–35617; File No. SR–CBOE–95–02]

Self-Regulatory Organizations; Order Approving a Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to the Listing of Long-Term Index Options Series (''LEAPS'') With a Duration of up to Sixty Months Until Expiration

April 17, 1995.

On January 19, 1995, the Chicago Board Options Exchange, Inc. (''CBOE'' or ''Exchange''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] filed with the Securities and Exchange Commission (''Commission'') a proposed rule change to permit the listing of long-term index options series (''LEAPS'') with a duration of up to sixty months (five years) until expiration. Notice of the proposal appeared in the **Federal Register** on February 1, 1995.[3] No comment letters were received on the proposed rule change. This order approves the CBOE proposal.

The purpose of the proposed rule change is to permit the Exchange to list index LEAPS with a duration of up to sixty months (five years).[4] Presently, the Exchange has authority pursuant to CBOE Rule 24.9(b) to list index LEAPS that expire from twelve to thirty-six months from the time they are listed. The Exchange represents that there has been increasing member firm and customer interest in longer term instruments. The Exchange, therefore, is proposing to amend Exchange Rule 24.9 to permit the listing of index options with up to sixty months until expiration. In addition, the Exchange proposes to amend Rule 24.9 to allow for up to ten expiration months for index LEAPS, as opposed to the six months currently allowed. The proposal does not change any other rule regarding the listing and trading of index LEAPS.[5]

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, the requirements of Section 6(b)(5).[6] Specifically, the Commission believes the proposal is designed to provide investors with additional means of hedging equity portfolios from long-term market risk with an exchange-traded security (*i.e.*, a standardized option), thereby facilitating transactions in options and contributing to the protection of investors and the maintenance of fair and orderly markets.[7]

Currently, institutional customers use index options to hedge the risks associated with holding diversified equity portfolios. The Commission continues to believe, as originally stated in its approval of the listing of index LEAPS by the Exchange, that allowing investors to lock in their hedges with longer-term index LEAPS will permit institutions to protect better their portfolios from adverse market moves.[8] Further, the Commission believes that index LEAPS with up to five years until expiration will allow this protection at a known and limited cost.[9] Moreover, the proposal will provide institutions with an additional securities product with which to hedge their portfolios as an alternative to hedging with futures positions or off-exchange customized index options.[10] Accordingly, the Commission believes that the proposed rule change will better serve the long-term hedging needs of institutional investors.[11]

Finally, although as with index LEAPS presently trading on the Exchange, specific strike price interval, bid/ask differential, and price continuity rules will not apply until the proposed longer-term index LEAPS have less than 12 months until expiration,[12] the Commission notes that CBOE's general rule obligating market makers to maintain fair and orderly markets will continue to apply to the proposed longer-term index LEAPS.[13] The Commission believes that the requirements of CBOE Rule 8.7(a) are broad enough, even in the absence of strike price interval, bid/ask differential, and continuity requirements, to provide the Exchange with the authority to make a finding of inadequate market maker performance should market makers enter into transactions or make bids or offers (or fail to do so) in the proposed longer-term index LEAPS that are inconsistent with the maintenance of a fair and orderly market.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[14] that the proposed rule change (File No. SR–CBOE–95–02) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[15]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–9978 Filed 4–21–95; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 34–35614; File No. SR–CHX–95–05]

Self-Regulatory Organizations; Chicago Stock Exchange, Incorporated; Order Granting Approval to Proposed Rule Change Relating to the Authority of the Committee on Floor Procedure

April 17, 1995.

On February 10, 1995, the Chicago Stock Exchange, Incorporated (''CHX'' or ''Exchange'') submitted to the Securities and Exchange Commission (''SEC'' or ''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] a proposed rule change to amend CHX Rule 3 of Article XII to provide the Committee on Floor Procedure with the same authority over persons associated with a member as it currently has over members. On March 1, 1995, the Exchange submitted to the Commission Amendment No. 1 to the proposed rule change.[3]

---

[11] 17 CFR 200.30–3(a)(16)(1994).

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

[2] 17 CFR 240.19b–4 (1994).

[3] See Securities Exchange Act Release No. 35278 (January 25, 1995), 60 FR 6324.

[4] The proposal would permit five-year LEAPS on both broad-based and narrow-based indexes on which LEAPS have been approved for trading on the CBOE.

[5] See CBOE Rule 24.9(b).

[6] 15 U.S.C. 78f(b)(5) (1988 & Supp. V 1993).

[7] The Commission also finds that extending the maximum term for Index LEAPS from three to five years does not alter the Commission's designation of index LEAPS as standardized options pursuant to Rule 9b–1(a)(4) of the Act.

[8] See Securities Exchange Act Release No. 24853 (August 27, 1987), 52 FR 33486 (September 3, 1987).

[9] *Id.*

[10] *Id.*

[11] The Commission's findings are predicated on the somewhat limited length of five-year index LEAPS. Any subsequent proposal to list index LEAPS with expirations beyond five years could alter the nature of the product and would raise new regulatory concerns, including, among other things, the appropriate margin treatment, disclosure, and trading rules for the product.

[12] See CBOE Rule 24.9(b)(1).

[13] See CBOE Rule 8.7(a).

[14] 15 U.S.C. 78s(b)(2) (1988).

[15] 17 CFR 200.30–3(a)(12) (1994).

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

[2] 17 CFR 240.19b–4 (1994).

[3] See letter from David Rusoff, Foley & Lardner, to Jennifer Choi, SEC, dated February 27, 1995. The original filing incorrectly referenced Rule 3 of Article IV of the Exchange Rules as the rule to be