permitting it to register under the Act. The rule's information collection requirements seek to ensure that the substantive provisions of the Act may be enforced as a matter of contract right in the United States or Canada by the company's shareholders or the Commission.

The Commission believes that three Canadian investment companies and one other foreign investment company have registered under Rule 7d–1 and are currently active. Apart from information collection requirements imposed on all registered investment companies (which are reflected in the information collection burdens applicable to those requirements), Rule 7d–1 imposes ongoing burdens to maintain in the United States records of the company and related records of its investment adviser and to update, as necessary, a list of affiliated persons of the company, investment adviser, and principal underwriter. The four companies and their associated persons spend approximately 101 hours annually complying with the requirements of the rule. This estimate is a revision of the 75 burden hours currently allocated to Rule 7d–1. The revision reflects the inclusion of an additional respondent and the Commission staff's administrative experience with the rule.

Canadian and other foreign investment companies have not sought to register under the Act pursuant to Rule 7d–1 in the past three years. If a company were to file an application under the rule, the Commission estimates that the rule would impose initial information collection burdens of approximately 90 hours on the company and its associated persons. Since no fund has sought to register under the Act pursuant to Rule 7d–1 in the last three years, the Commission is not including those burdens in its calculation of the annual burden hours.

After registration, a foreign company may file a supplemental application seeking special exemptive relief from provisions of the Act based on the company's particular circumstances. Because such filings are not mandated by Rule 7d–1 and are made at a company's discretion, no burden hours are allocated for such applications.

Form N–14 is the form for registration of securities to be issued by investment companies registered under the Act in business combination transactions specified in Rule 145(a) and exchange offers. There are approximately 95 registrants filing annually on Form N–14. Approximately 58,900 hours are used to meet the requirements of Form N–14. This represents 620 hours per registrant per year.

General comments regarding the estimated burden hours should be directed to the Desk Officer for the Securities and Exchange Commission at the address below. Any comments concerning the accuracy of the estimated average burden hours for compliance with Commission rules and forms should be directed to Michael E. Bartell, Associate Executive Director, Office of Information Technology, Securities and Exchange Commission, 450 Fifth Street NW., Washington, DC 20549 and Desk Officer for the Securities and Exchange Commission, Office of Information and Regulatory Affairs, Office of Management and Budget, Room 3208, New Executive Office Building, Washington, DC 20503.

Dated: February 16, 1995.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–4314 Filed 2–26–96; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 34–36864; File No. 600–28]

Notice of Extension of Comment Period; Request by ProTrade for Exemption From Registration as a Clearing Agency

February 21, 1996.

On September 22, 1994, ProTrade filed with the Securities and Exchange Commission (''Commission'') a Form CA–1 requesting an exemption from registration as a clearing agency pursuant to Section 17A of the Securities Exchange Act of 1934 [1] and Rule 17Ab2–1 thereunder.[2] ProTrade has supplemented the information provided in its Form CA–1 with letters to the Commission dated October 27, 1994; April 18, 1995; September 26, 1995; and October 2, 1995.

ProTrade's requested exemption from registration as a clearing agency was published for notice and comment in the Federal Register on December 20, 1995.[3] In that notice, the Commission requested public comments on ProTrade's requested exemption by February 16, 1996.

Recently, the Commission's staff has received requests from interested persons for an extension of time within which to comment on the ProTrade notice. These persons claim that the ProTrade request involves complicated and significant material and requires a longer comment period to ensure that interested persons have sufficient time in which to conduct thorough analyses.

Accordingly, in light of the substantial nature of the ProTrade request and in light of the Commission's desire to consider the views of all interested persons on the subject, the Commission believes that an extension of the comment period is appropriate. Therefore, the Commission is extending the comment period for responding to Securities Exchange Act Release No. 36587 [File No. 600–28] from February 16, 1996, until March 8, 1996.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.[4]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–4312 Filed 2–26–96; 8:45 am]

BILLING CODE 8010–01–M

[1] 15 U.S.C. 78q–1 (1988).

[2] 17 CFR 240.17Ab2–1 (1995).

[3] Securities Exchange Act Release No. 36587 (December 13, 1995), 60 FR 65697 (December 20, 1995).

[4] 17 CFR 200.30–3(a)(12) (1995).

[Release No. 34–36863; File No. SR–CBOE–96–02]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Chicago Board Options Exchange, Inc., Relating to the Liability of the Exchange and its Directors, Officers, Employees, and Agents, and Requiring Members to Pay the Exchange's Costs of Litigation Under Specified Circumstances

February 20, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4 thereunder,[2] notice is hereby given that on January 18, 1996, the Chicago Board Options Exchange, Inc. (''CBOE'' 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 self-regulatory organization. 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 CBOE proposes to amend various Exchange rules pertaining to the liability of the Exchange, to adopt new Rule 6.7A prohibiting a member from instituting certain types of legal proceedings against Exchange officials, and to adopt new Rule 2.24 requiring a member to pay the Exchange's costs of litigation under specified circumstances. The text of the proposed

[1] 15 U.S.C. § 78s(b)(1) (1988).

[2] 17 CFR 240.19b–4 (1994).

rule change is available at the Office of the Secretary, the CBOE, and 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 CBOE include 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. The CBOE 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

Exchange Liability

The principal rule concerning Exchange liability is Rule 6.7(a), which currently provides that the Exchange shall not be liable to members, member organizations, or to associated persons for loss, damages, or claims arising out of the use or enjoyment of the facilities afforded by the Exchange, whether the loss, damages, or claims resulted from negligence or other unintentional errors or omissions, or from a cause not within the control of the Exchange. The proposed amendment to Rule 6.7(a) clarifies that, except as otherwise specifically provided in the rules of the Exchange, neither the Exchange nor its directors, officers, committee members, employees, or agents shall be liable to members or their associated persons except where the Exchange's liability is attributable to willful misconduct, gross negligence, bad faith, fraud, or criminal acts.

The proposed amendment to Rule 6.7 also incorporates, without material change, certain provisions which are currently set forth in Rules 23.14 and 24.12 to the effect that the Exchange is not liable for errors, omissions, or delays in collecting or disseminating various kinds of data, and the Exchange does not warrant such data. According to the Exchange, the purpose of moving these limitations of liability and disclaimers of warranty to Rule 6.7 is to place related subjects in a single rule.

In addition, the CBOE proposes to make non-substantive amendments to Rules 7.11, 23.14, and 30.75, and to delete Rule 24.12 in order to eliminate provisions that duplicate what is set forth in Rule 6.7, as well as to clarify and conform the language of all of the rules pertaining to the liability of the Exchange.

The CBOE also proposes certain changes to Interpretation and Policy .03 to Rule 6.7, which currently limits the Exchange's liability with respect to orders routed through the Exchange's Order Routing System (''ORS'') once the orders are printed at printers located on the Exchange floor. These changes clarify the description of the printers to which orders may be routed, and limits the liability of the Exchange once an order routed through ORS appears on a public automated routing (''PAR'') system terminal screen.

Legal Proceedings Against Exchange Directors, Officers, Employees, or Agents

The proposed amendment adds new Rule 6.7A, which prohibits a member or associated person from instituting a lawsuit or any other legal proceeding against any director, officer, employee, agent, or other official of the Exchange or any subsidiary, for actions taken or omitted to be taken in connection with the official business of the Exchange or any subsidiary. Rule 6.7A, however, does not apply to violations of the federal securities laws where a private right of action exists, to appeals of disciplinary actions, or to other actions by the Exchange as provided for in the rules of the Exchange. According to the Exchange, the purpose of disallowing lawsuits or other legal proceedings against Exchange officials or agents when they are acting on Exchange business is to eliminate the potential exposure to personal liability of such persons, which impairs their ability to perform their duties.

Exchange's Cost of Defending Legal Proceedings

The proposed amendment adds new Rule 2.24, which requires a member or associated person who fails to prevail in a lawsuit or other legal proceeding instituted by that person against the Exchange or other specified persons, and related to the business of the Exchange, to pay all reasonable expenses, including attorneys' fees, incurred by the CBOE in its defense during such proceeding. This provision is applied only in the event that the Exchange's expenses exceed fifty thousand dollars. According to the Exchange, this rule is intended to discourage unfounded, vexatious litigation against the CBOE where the Exchange's costs of defense are significant, without having any undue chilling effect on legitimate claims of members. The proposed rule would apply to all types of legal proceedings that might be instituted by members against the Exchange or any of its directors, officers, committee members, employees, or agents, except that it expressly would not apply to disciplinary actions by the Exchange or to appeals therefrom, to other administrative appeals of Exchange actions, or to any specific instance where the Board has granted a waiver of this provision.

The CBOE believes that the proposed rule change is consistent with Section 6(b)(5) of the Act in that, by limiting the liability of the Exchange and its directors, officers, employees, and agents, by precluding certain types of legal actions by members against such persons individually, and by discouraging frivolous lawsuits against the Exchange, it will reduce the costs of the Exchange in responding to claims and lawsuits, thereby permitting the resources of the Exchange to be better utilized for promoting just and equitable principles of trade and for protecting investors and the public interest.

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

The 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 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 CBOE consents, the Commission will:

A. by order approve the proposed rule change, or

B. institute proceedings to determine whether the proposed rue 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, 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 at the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the CBOE. All submissions should refer to File No. SR–CBOE–96–02 and should be submitted by March 19, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[3]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96–4352 Filed 2–26–96; 8:45 am]

BILLING CODE 8010–01–M

[Release No. 34–36861; File No. SR–DTC–96–05]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing and Order Granting Accelerated Approval on a Temporary Basis of a Proposed Rule Change to Modify the Procedures for Inter-depository Deliveries

February 20, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act''),[1] notice is hereby given that on January 26, 1996, The Depository Trust Company (''DTC'') filed with the Securities and Exchange Commission (''Commission'') the proposed rule change (File No. SR–DTC–96–05) as described in Items I and II below, which items have been prepared primarily by DTC. The Commission is publishing this notice and order to solicit comments on the proposed rule change from interested persons and to grant accelerated approval of the proposed rule change on a temporary basis through August 31, 1996.

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 modify the procedures for deliveries through the interface between DTC and the Philadelphia Depository Trust Company (''Philadep'') as part of the planned conversion on February 22, 1996, of DTC's money settlement system to an entirely same-day funds settlement (''SDFS'') system.

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 that 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.[2]

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

The purpose of the proposed rule change is to modify the procedures for deliveries through the interface between DTC and Philadep as part of the planned conversion of DTC's money settlement system to an entirely SDFS system. In a 1994 memorandum issued jointly with the National Securities Clearing Corporation (''NSCC''), DTC described the planned conversion of DTC's money settlement system to an entirely SDFS system and outlined the proposed modifications to the interface delivery procedures.[3]

In the next-day funds settlement (''NDFS'') system, DTC currently processes deliveries to and from Philadep through its inter-depository interface. This interface has been enhanced to improve efficiency while allowing both depositories to employ separate risk management controls. Until the conversion on February 22, 1996, to SDFS for all securities transaction settlements, the proposed procedures will apply only to securities currently eligible in DTC's SDFS system. Upon the conversion, the procedures will apply to the settlement of all securities transactions between DTC and Philadep.

When processing participants' deliveries to Philadep, DTC will employ an immediate update technique whereby a delivering participant's security position, collateral, and settlement accounts are immediately updated if that delivering participant has sufficient securities and collateral to allow the delivery to be completed. The delivering participant's position is reduced by the quantity of securities it is delivering, its settlement account is credited for the settlement value of the transaction, and its collateral monitor is increased by the settlement credit it has incurred and is reduced by the collateral value of the securities it is delivering (provided the securities being delivered are part of the participant's collateral position). To facilitate processing in the event of a failure to settler incident, DTC plans to establish a maximum net debit cap for interface activity at $400 million upon the scheduled conversion on February 22, 1996.

Once a delivery satisfies risk management controls and completes at DTC (*i.e.*, the participant has sufficient securities to make the delivery and the participant's collateral monitor will not become negative because of the delivery), it is sent to Philadep where it is subject to Philadep's internal risk management controls. In certain instances, Philadep's internal risk management controls may prevent a delivery from completing (*i.e.*, the receiving participant may not have sufficient collateral or the receipt will cause the participant to exceed its net debit cap) and may cause those deliveries to pend in Philadep's system. Deliver orders and payment orders that fail to successfully complete in Philadep's system at the end of each processing day (approximately 3:45 p.m.) will be returned to DTC, and DTC will reverse the deliveries to the original delivering participants. Such reversals will not be subject to Reciever-Authorized Delivery (''RAD'') processing[4] or risk management controls.

DTC believes the proposed rule change is consistent with Section 17A of the Act[5] and the rules and regulations thereunder because the proposed rule change will contribute to efficiencies in processing deliveries in the interface between DTC and Philadep. DTC also believes the proposed rule change will be implemented consistently with the safeguarding of securities and funds in DTC's custody or control or for which it is responsible because the proposed

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

[2] The Commission has modified the text of the summaries submitted by DTC.

[3] 17 CFR 200.30–3(a)(12) (1994).

[3] The Depository Trust company and National Securities Clearing Corporation, Memorandum (July 29, 1994).

[4] RAD allows a participant to review and either approve or cancel incoming deliveries before they are processed in DTC's system. For a further discussion of DTC's RAD procedures, refer to Securities Exchange Act Release No. 25886 (July 6, 1988), [File No. SR–DTC–88–07] (notice of filing and immediate effectiveness of a proposed rule change implementing DTC's RAD procedures).

[5] 15 U.S.C. 78q–1 (1988).