

purchased be registered under the Securities Act. Applicant believes that purchasing the securities at issue pursuant to a public offering conducted in accordance with South African law and the rules and regulations of the JSE, together with the requirement that audited financial statements for the previous two years be available to all prospective purchasers, provide an adequate substitute for the registration requirement. The availability of such financial statements, as well as the other information regarding the issuer required under The South Africa Companies Act, 1973 and the rules and regulations of the JSE, provides FIAM with sufficient information to make informed investment decisions. Applicant also believes that the underwriters' and issuers' liability protect applicant's shareholders from a loss resulting from reliance by FIAM on a misleading prospectus. Taken together with the requirement that securities subject to section 10(f) be purchased in public offerings conducted in accordance with South African law and the rules and regulations of the JSE, investors can be assured that the securities are issued in the "ordinary course of business," and in compliance with regulatory requirements similar to those imposed by the U.S. securities laws.

8. Applicant further believes that the widespread distribution of securities in a public offering in South Africa; the applicable prospectus delivery requirements; and the fixed offering price at which securities are offered to, and purchased by, unaffiliated purchasers on the same terms as any securities purchased by applicant, provide for the protection of investors in effectively preventing discriminatory and predatory practices in the underwriting of new issues that would be detrimental to applicant's shareholders.

9. In light of the foregoing, as well as the protection afforded by subparagraphs (a)(2) through (i) of rule 10f-3, applicant believes that purchases of securities in the manner described above will not raise any of the concerns addressed by section 10(f), and that the granting of the requested exemptive order is consistent with the protection of investors and with the purposes intended by rule 10f-3.

Applicant's Conditions

Applicant agrees that the order granting the requested relief shall be subject to the following conditions:

1. The securities purchased be listed or be approved for listing on the Main Board of the JSE.

2. With the exception of paragraph (a)(1) of rule 10f-3, all other conditions set forth in rule 10f-3 be satisfied.

3. The foreign securities subject to section 10(f) will be purchased in a public offering conducted in accordance with South African law and the rules and regulations of the JSE.

4. All subject South African issuers will have available for prospective purchasers financial statements, audited in accordance with the accounting standards of South Africa, for the two years prior to the purchase.

For the Commission, by the Division of Investment Management, pursuant to delegated authority.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-18301 Filed 7-18-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37429; File No. SR-Amex-96-26]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by American Stock Exchange, Inc. Relating to the Unbundling of Auto-Ex Orders

July 12, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"), 15 U.S.C. 78s(b)(1), and Rule 19b-4 thereunder, 17 CFR 240.19b-4, notice is hereby given that on July 11, 1996, the American Stock Exchange, Inc. ("Amex" or "Exchange") filed with the Securities and Exchange Commission the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Amex. 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 Exchange proposes to adopt new Amex Rule 933 to prohibit the unbundling of customer option orders in order to make them eligible for entry into the Exchange's Automatic Execution System ("Auto-Ex"). The text of the proposed rule change is available at the Office of the Secretary, Amex 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 Amex 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. The Amex 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 the Statutory Basis for, the Proposed Rule Change

(1) Purpose

The Exchange proposes to adopt new Amex Rule 933 which is designed to prohibit the unbundling (splitting up or dividing up) of customer option orders in order to make them eligible to fit the size parameters of the Exchange's Auto-Ex system, an automatic execution system intended for small orders of customers. The Exchange believes that Auto-Ex should give near instantaneous single price execution of such orders at prevailing bid/offer prices. Currently, the size parameters for customer Auto-Ex orders are generally 10 contracts for equity options with larger amounts available for certain index options.

Automatic execution systems were introduced more than 10 years ago by the Amex and other option exchanges in response to member firm suggestions that customers would be helped in gaining confidence in the listed options markets if quick, single price executions at posted (prevailing) prices were available. The Amex initiated Auto-Ex in certain index options in the mid-1980s and later extended its applicability to equity options.

Over the past several years, due in large part to enhancements in technology and market minding systems, more customers and other market participants have obtained the ability to use a combination of high speed automated market watch systems and computer generated orders to enter orders directly or indirectly into the automatic execution systems of options exchanges. In order to fit within the size parameters of such systems, large size orders are frequently split up into small size orders which give rise to a series of sequential (or near sequential) orders being entered.

For example, a member with a customer order to buy 20 contracts at the prevailing market price in an Auto-Ex eligible equity option, could structure the order so it is split up and transmitted as two orders to buy 10 contracts each. The Exchange believes that such unbundling compromises the basic purpose for which automatic execution systems were adopted.

Accordingly, the Exchange now proposes to adopt new Rule 933 (Automatic Execution of Options Orders) that would prohibit the unbundling of customer option orders in order to make them eligible for entry into the Exchange's Auto-Ex system.

The adoption of this rule would be consistent with similar rules already in force at the Chicago Board Options Exchange and the Pacific and Philadelphia Stock Exchanges.¹ Further, the adoption of this rule will not affect a member firm's ability to directly route large size customer option orders (that is, orders in excess of Auto-Ex size parameters) to the trading floor as such firms can choose to either (i) use the Exchange's electronic order routing AMOS system which will cause the order (for up to 30 contracts in the case of equity options) to appear on an AUTO-AMOS display terminal where it is then subject to execution, or (ii) route the order (without any size limitation) through the firm's own order delivery system for execution by a floor broker.

(2) Basis

The proposed rule change is consistent with Section 6(b) of the Act in general and furthers the objectives of Section 6(b)5 in particular in that it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, and is not designed to permit unfair discrimination between customers, issuers, brokers or dealers.

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

The proposed rule change will impose no 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

Because the foregoing proposed rule change: (1) Does not significantly affect the protection of investors or the public interest; (2) does not impose any significant burden on competition; (3) was provided to the Commission for its review at least five days prior to the filing date; and (4) does not become operative for 30 days from July 11, 1996, the date on which it was filed, the rule

change has become effective pursuant to Section 19(b)(3)(A) of the Act and Rule 19b-4(e)(6) thereunder.² In particular, the Commission believes the proposal qualifies as a "noncontroversial filing" in that the proposed standards do not significantly affect the protection of investors or the public interest and do not impose any significant burden on competition. At any time within 60 days of the filing of the proposed rule change, the Commission may summarily abrogate such rule change if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in the furtherance of the purposes of the Act.

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 in the Commission's Public Reference Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR-Amex-96-26 and should be submitted by August 9, 1996.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 96-18295 Filed 7-18-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37433; File No. SR-DTC-96-11]

Self-Regulatory Organizations; The Depository Trust Company; Notice of Filing of a Proposed Rule Change Seeking Authority To Release Clearing Data Relating to Participants

July 12, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ notice is hereby given that on May 28, 1996, The Depository Trust Company ("DTC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change (File No. SR-DTC-96-11) as described in Items I, II, and III below, which items have been prepared primarily by DTC. 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 Substance of the Proposed Rule Change

The purpose of the proposed rule change is to establish a new rule governing the release of certain information relating to DTC's participants which information is obtained in DTC's ordinary course of business.

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 establish Rule 2, Section 6, which will govern the release of certain information relating to DTC's participants which information is obtained in DTC's ordinary course of business. The new rule will authorize DTC to release information relating to a participant's fund deposit, collateral,

¹ See CBOE Rule 6.8(a)(i); PSE Rule 6.87(c); and Phlx Rule 1015(vii).

² 17 CFR 240.19b-4(e)(6).

³ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1) (1988).

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