

with respect to foreign index receipts is distribution of the composition file. In addition, the proposed rule change establishes a fee of \$125.00 for the distribution of the composition file for such nondomestic index receipts.

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

In its filing with the Commission, NSCC 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. NSCC 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

NSCC currently provides services for the processing of domestic index products. These services include the processing of creation and redemption instructions and the settlement of the underlying securities as well as cash amounts related to the creations and redemptions. Additionally, NSCC provides members with a composition file that is used by NSCC in settling the creation and redemption instructions.³ The New York Stock Exchange ("NYSE") plans to begin trading depository index receipts based on the Financial Times Actuaries World Indices.⁴ The new NYSE products will include receipts based on a domestic index and eight foreign indexes. While the index receipts will trade and settle like other domestic equity products, their underlying foreign components are not eligible to be cleared and settled domestically. Thus, the purpose of this filing is to modify NSCC's rules to indicate that with respect to foreign index products the only service which NSCC will provide will be the distribution of the composition file.

NSCC currently charges members a fee of \$125.00 per month per file for the distribution of the domestic composition file. The proposed rule change will establish a fee for the

distribution of the composition file for the nondomestic indexes. Consistent with the domestic composition file fee, the fee for distribution of the composition file for the nondomestic indexes also will be \$125.00 per month per file.

NSCC believes the proposed rule change is consistent with the requirements of Section 17A of the Act and the rules and regulations thereunder because: (i) the rule proposal will facilitate the prompt and accurate clearance and settlement of securities transactions and (ii) the proposed rule change establishes the equitable allocation of dues, fees, and other charges among NSCC's members.

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

NSCC does not believe that the proposed rule change will have an impact on or impose a 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 relating to the proposed rule change have been solicited or received. NSCC will notify the Commission of any written comments received by NSCC.

III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A) (ii) and (iii)⁵ of the Act and pursuant to Rule 19b-4(e) (2) and (4)⁶ promulgated thereunder because the proposal: (i) establishes or changes a due, fee, or other charge imposed by NSCC and (ii) effects a change in an existing service that does not adversely affect the safeguarding of securities or funds in NSCC's custody or control or for which it is responsible and does not significantly affect the respective rights or obligations of NSCC or persons using NSCC's services. At any time within sixty days of the filing of such 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 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 N.W., 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 NSCC. All submissions should refer to the file number SR-NSCC-95-10 and should be submitted by September 7, 1995.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁷

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-20396 Filed 8-16-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36083; File No. SR-PSE-95-10]

Self-Regulatory Organizations; Order Approving Proposed Rule Change by the Pacific Stock Exchange, Inc. Relating to its Procedure for Evaluating Options Trading Crowd Performance

August 10, 1995.

On April 7, 1995, the Pacific Stock Exchange, Inc. ("PSE" 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 modify its procedure for evaluating options trading crowd performance by specifying that floor broker questionnaires will be distributed semi-annually rather than quarterly. The Exchange subsequently filed Amendment No. 1 to the proposed rule change on May 25, 1995.³ Notice of the

² The Commission has modified parts of the summaries prepared by NSCC.

³ NSCC provides to its members the composition file for creations and redemptions of index receipts occurring on the next business day to advise its members of the index receipts' component shares and associated quantities.

⁴ See Securities Exchange Act Release No. 36032 (July 28, 1995), 60 FR 40403.

⁵ 15 U.S.C. 78s(b)(3)(A) (ii) and (iii) (1988).

⁶ 17 CFR 240.19b-4(e) (2) and (4) (1994).

⁷ 17 CFR 200.30-3(a)(12) (1994).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ In Amendment No. 1, the Exchange proposes to amend Rule 6.82(b)(4)(i) to provide that the Lead

proposed rule change and Amendment No. 1 was published for comment and appeared in the **Federal Register** on June 14, 1995.⁴ No comment letters were received on the proposal. This order approves the PSE proposal.

I. Description of the Proposal

The Exchange is proposing to amend Options Floor Procedure Advice ("OFPA") B-13 to provide that trading crowds will be evaluated by questionnaire semi-annually rather than quarterly. OFPA B-13 requires the Options Allocation Committee ("Committee") of the Exchange to evaluate periodically the options trading crowds⁵ to determine whether each has fulfilled performance standards relating to, among other things, quality of markets, competition among market makers, observance of ethical standards, and administrative factors.⁶ In conducting its evaluation, the Committee may consider any relevant information, including but not limited to, the results of a trading crowd evaluation questionnaire. Currently, the questionnaires are distributed to and completed by floor brokers on the Options Trading Floor on a "three-month periodic basis" pursuant to OFPA B-13. The Exchange is proposing to amend OFPA B-13 to require floor brokers to complete the questionnaires on a "six-month periodic basis."

II. Discussion

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)⁷ in that it is designed to prevent fraudulent and manipulative acts and practices and to promote just and equitable principles of

Market Maker ("LMM") Appointment Committee shall review LMM appointments at least semi-annually. The rule currently provides that the LMM Appointment Committee must review LMM appointments at least quarterly. See Letter from Michael D. Pierson, Senior Attorney, Market Regulation, PSE, to James McHale, Attorney, Division of Market Regulation, Commission, dated May 23, 1995 ("Amendment No. 1").

⁴ See Securities Exchange Act Release No. 35777 (May 30, 1995), 60 FR 31333.

⁵ Pursuant to Rule 6.82, the program is also used to conduct evaluations of LMMs on the Options Trading Floor. The Exchange, through Amendment No. 1, also proposes to amend Rule 6.82(b)(4)(i) to require the LMM Appointment Committee to review LMM appointments on a semi-annual basis. See Amendment No. 1, *supra* note 3.

⁶ The Commission approved the Exchange's Options Trading Crowd Performance Evaluation Pilot Program on a permanent basis on December 30, 1993. See Securities Exchange Act Release No. 33407, 59 FR 1043 (January 7, 1994).

⁷ 15 U.S.C. 78f(b)(5).

trade, and to remove impediments to and protect the mechanism of a free and open market and to protect investors and the public interest. Specifically, the Commission believes that, based on the Exchange's representations that quarterly evaluations are overly repetitive, reducing the frequency with which the evaluations are conducted should encourage floor brokers to exercise greater care in preparing their responses, thus resulting in a more precise measurement of trading crowd and Lead Market Maker performance. A more precise measurement of trading crowd and Lead Market Maker performance serves to enhance the Options Trading Crowd Evaluation Program, which is designed to help the Exchange maintain the quality and integrity of its markets by setting minimum standards of market maker performance and providing a means to identify market makers and trading crowds which fail to meet performance standards.⁸

Moreover, the Commission believes that the purposes for distributing the questionnaire, *i.e.*, enabling the PSE to determine whether market makers are making continuous, two-sided markets in all option series for each option class located at a trading station and whether deep and liquid markets are provided as a result of competition among market makers,⁹ will not be compromised by distributing the questionnaires semi-annually instead of quarterly. Additionally, the Commission notes that the proposed change should result in a more efficient allocation of Exchange resources. Further, the Commission notes that the Chicago Board Options Exchange ("CBOE") evaluates its trading crowds and market makers on a semi-annual basis, pursuant to CBOE Rule 8.60(c). Finally, with respect to Amendment No. 1, the Commission believes that it is appropriate for the Exchange to review LMMs semi-annually so as to treat the formal review of trading crowds and LMMs consistently.

It therefore is ordered, pursuant to Section 19(b)(2) of the Act,¹⁰ that the proposed rule change (SR-PSE-95-10) is approved.

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

⁸ See Securities Exchange Act Release No. 33407 (December 30, 1993), 59 FR 1043 (January 7, 1994).

⁹ *Id.*

¹⁰ 15 U.S.C. 78s(b)(2).

¹¹ 17 CFR 200.30-3(a)(12).

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-20404 Filed 8-16-95; 8:45 am]

BILLING CODE 8010-01-M

[Investment Company Act Release No. 21278; International Series Release No. 838; 812-9666]

Deutsche Bank AG; Notice of Application

August 11, 1995.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of application for exemption under the Investment Company Act of 1940 (the "Act").

APPLICANT: Deutsche Bank AG ("Deutsche Bank").

RELEVANT ACT SECTIONS: Order under section 6(c) of the Act for an exemption from section 17(f) of the Act.

SUMMARY OF APPLICATION: Deutsche Bank requests an order that would permit United States registered investment companies (a "U.S. Investment Company"), other than investment companies registered under section 7(d), for which Deutsche Bank serves as custodian or subcustodian, to maintain foreign securities and other assets in Malaysia with Deutsche Bank (Malaysia) Berhad ("DBM"), a subsidiary of Deutsche Bank.

FILING DATE: The application was filed on July 14, 1995.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on September 5, 1995, and should be accompanied by proof of service on the applicant, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons may request notification of a hearing by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicant: Post Box D, 60262 Frankfurt-am-Main, Germany; cc: J. Eugene Marans, Esq., Cleary, Gottlieb, Steen & Hamilton, 1752 N Street, N.W., Washington, D.C. 20036.

FOR FURTHER INFORMATION CONTACT: Marianne H. Khawly, Staff Attorney, at (202) 942-0562, or Robert A. Robertson,