

situation, even though PTC will not be required to make a rule filing, PTC will notify the Commission of its intention to reinstitute the 7:00 a.m. opening. Furthermore, PTC will notify its participants sufficiently in advance of a return to the 7:00 a.m. opening.

PTC believes that the proposed rule change is consistent with Section 17A(b)(3)(F) of the Act⁴ and the rules and regulations thereunder because it facilitates the prompt and accurate clearance and settlement of securities transactions and provides for the safeguarding of securities and funds in PTC's custody or control or for which PTC is responsible.

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

PTC does not believe that the proposed rule change imposes any burden on competition.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received from Members, Participants, or Others

PTC has not received written comments on the proposed rule change. PTC is formally soliciting participant response contemporaneous with this filing.

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

Section 17A(b)(3)(F) of the Act⁵ requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and to assure the safeguarding of securities and funds in the custody or control of the clearing agency or for which it is responsible. The Commission believes that conforming the opening of processing activity at PTC to the opening time of the Federal Reserve's funds wire is consistent with these objections.

The implementation of SPEED Release 5.6 into PTC's processing system will cause simultaneous debiting and crediting of participants' cash and securities accounts. This will require that the cash balance of a receiving participant's account in an account transfer versus payment be debited even though the delivery may not have been approved by the receiving participant. Match functionality no longer will operate to defer the debit to the cash balance of the receiving participant until the delivery is approved. Because unmatched deliveries of account

transfers versus payment no longer will generate a credit to the cash balance of the delivering participant without the corresponding debit to the receiving participant, it is anticipated that the implementation of SPEED Release 5.6 may result in increased incidences of transactions that may require prefunding to pass credit checks. The change in the opening time of processing activity at PTC should reduce the number of transactions failing credit because participants will be able to move funds through the fedwire to PTC at the opening of PTC's processing.

PTC has requested that the Commission find good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of the filing. By granting accelerated approval, PTC will be able to allow its participants sufficient time to become accustomed to the new opening time of processing activity before the implementation of SPEED Release 5.6. Therefore, the Commission finds sufficient cause to grant accelerated approval of the proposal. The staff of the Board of Governors of the Federal Reserve System has concurred with the Commission's decision to grant accelerated approval.⁶

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 at 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 in the principal office of PTC. All submissions should refer to file number SR-PTC-95-07 and

should be submitted by November 22, 1995.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act, that the proposed rule change (File No. SR-PTC-95-07) be and hereby is approved on an accelerated basis through January 21, 1996.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-27002 Filed 10-31-95; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-36414; File Nos. SR-Amex-95-40, SR-BSE-95-15, SR-CHX-95-23, SR-NYSE-95-34, and SR-Phlx-95-72]

Self-Regulatory Organizations; Order Granting Accelerated Approval of Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendment No. 1 Thereto by the Philadelphia Stock Exchange, Inc., and Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Changes by the American Stock Exchange, Inc., Boston Stock Exchange, Inc., Chicago Stock Exchange, Incorporated, and New York Stock Exchange, Inc. Relating to an Extension of Certain Market-Wide Circuit Breaker Provisions

October 25, 1995.

I. Introduction

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² on September 18, 1995, the Philadelphia Stock Exchange, Inc. ("Phlx"), on October 5, 1995, the American Stock Exchange, Inc. ("Amex"), on October 6, 1995, the Chicago Stock Exchange, Incorporated ("CHX"), on October 11, 1995, the New York Stock Exchange, Inc. ("NYSE"), and on October 16, 1995, the Boston Stock Exchange, Inc. ("BSE"), respectively (each individually referred to herein as an "Exchange" and two or more collectively referred to as "Exchanges"), submitted to the Securities and Exchange Commission ("Commission") proposed rule changes relating to the extension of certain market-wide circuit breaker provisions. The Phlx proposal was published for comment in the Federal Register on October 6, 1995.³ No comments were

⁷ 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 Securities Exchange Act Release No. 36319 (September 29, 1995), 60 FR 52444.

⁴ 15 U.S.C. 78q-1(b)(3)(F) (1988).

⁵ 15 U.S.C. 78q-1(b)(3)(F) (1988).

⁶ Telephone conversation between William R. Stanley, Board of Governors of the Federal Reserve System, and Ari Burstein, Division of Market Regulation, Commission (October 18, 1995).

received regarding the Phlx's proposed rule change. On October 20, 1995, the Phlx filed Amendment No. 1 to its proposal.⁴ This order approves the Exchanges' proposals.

II. Description, of Proposals

In 1988, the Commission approved circuit breaker proposals by the Exchanges.⁵ In general, the Exchanges' circuit breaker rules provide that trading would halt for one hour if the Dow Jones Industrial Average ("DJIA") were to decline 250 points from its previous day's closing level and, thereafter, trading would halt for an additional two hours if the DJIA were to decline 400 points from its previous day's close.⁶ These circuit breaker mechanisms are an important part of the measures adopted by the Exchanges to address market volatility concerns in the wake of the October 1987 Market Break.

The Commission approved the Amex, BSE, MSE, NYSE, Phlx and National Association of Securities Dealers' ("NASD") circuit breaker proposals on a pilot program basis.⁷ Circuit breaker proposals by the Chicago Board Options Exchange, Inc.,⁸ the Pacific Stock Exchange, Inc.⁹ and the Cincinnati Stock Exchange, Inc.¹⁰ were approved by the Commission on a permanent basis. In 1989, the Exchanges and the NASD filed, and the Commission approved, proposals to extend their

respective pilot programs.¹¹ Subsequently, in 1990, 1991, 1992, 1993, and 1994, the Amex, NYSE, and Phlx filed, and the Commission approved, proposals to extend their respective pilot programs.¹²

In 1991 and 1993, the BSE filed, and the Commission approved, proposals to extend its pilot program.¹³ In 1990, 1991, 1992, and 1993, the CHX filed, and the Commission approved, proposals to extend its pilot program.¹⁴ In 1990, 1992, 1993, and 1994, the NASD filed, and the Commission approved, proposals to extend its pilot program.¹⁵ The proposals for the Exchanges are nearing their expiration dates and the Amex, NYSE, and Phlx have filed with the Commission proposals to extend further their respective pilot programs until October 31, 1996. The BSE and CHX filings propose extending their respective pilot programs until October 31, 1997.

The circuit breaker mechanisms were enacted in the wake of the October 1987 Market Break. Both the Report of the Presidential Task Force on Market Mechanisms ("Brady Report") and the Working Group's Interim Report¹⁶ recommended that coordinated trading halts and reopening procedures be developed that would be implemented in all U.S. markets for equity and equity related products during large, rapid

market declines.¹⁷ In response, the SROs submitted proposals to implement circuit breaker procedures that are designed to substitute planned trading halts for unplanned and destabilizing market closings. In addition, the stock index futures exchanges have implemented parallel circuit breakers that were approved by the CFTC on a permanent basis.

III. Discussion

The Commission believes that the Exchanges' proposed rule changes are consistent with the requirements of the Act and the rules and regulations thereunder applicable to national securities exchanges. Specifically, the Commission believes the Exchanges' proposals are consistent with the requirements of Section 6(b)(5) of the Act¹⁸ in that they are designed to remove impediments to, and perfect the mechanism of, a free and open market, and to protect investors and the public interest.

Since the Commission approved these proposals in 1988, the DJIA has not experienced a one day, 250-point decline that would trigger a market halt. Nevertheless, the Commission continues to believe that circuit breaker procedures are desirable to deal with potential strains that may develop during periods of extreme market volatility, and, accordingly, the Commission believes that the pilot programs should be extended. The Commission also believes that circuit breakers represent a reasonable means to retard a rapid, one day market decline that can have a destabilizing effect on the nation's financial markets and participants in these markets.

Accordingly, the Commission finds that the proposed rule changes filed by the Exchanges are 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 and the rules and regulations thereunder.

The Commission finds good cause for approving the Exchanges' proposed rule changes prior to the thirtieth day after the date of publication of notice of filing thereof in the Federal Register because there are no changes being made to the

⁴ Letter from William W. Uchimoto, First Vice President and General Counsel, Phlx, to Francois Mazur, Attorney, Office of Market Supervision, Division of Market Regulation, Commission, dated October 20, 1995 ("Amendment No. 1").

⁵ See e.g., Securities Exchange Act Release Nos. 26198 (October 19, 1988), 53 FR 41637 (Amex and NYSE); 26218 (October 26, 1988), 53 FR 44137 (Midwest Stock Exchange, Incorporated ("MSE")); 26357 (December 14, 1988), 53 FR 51182 (BSE); and 26386 (December 22, 1988), 53 FR 52904 (Phlx).

As of July 8, 1993, the MSE changed its name to the CHX. Securities Exchange Act Release No. 32488 (June 18, 1993), 58 FR 32484.

⁶ If the 250-point trigger were reached within one hour of the scheduled close of trading for a day, or if the 400-point trigger were reached within two hours of the scheduled close of the trading day, trading would halt for the remainder of the day. If, however, the 250-point trigger were reached between one hour and one-half hour before the scheduled closing, or if the 400-point trigger were reached between two hours and one hour before the scheduled closing, the Exchanges would have the authority to use abbreviated reopening procedures either to permit trading to reopen before the scheduled closing or to establish closing prices.

⁷ See Securities Exchange Act Release Nos. 26198 (also granting temporary approval to NASD policy statement on trading halts); 26218; 26357; and 26386, *supra* note 4.

⁸ See Securities Exchange Act Release No. 26198, *supra* note 4.

⁹ See Securities Exchange Act Release No. 26368 (December 16, 1988), 53 FR 51942.

¹⁰ See Securities Exchange Act Release No. 26440 (January 10, 1989), 54 FR 1830.

¹¹ See Securities Exchange Act Release No. 27370 (October 23, 1989), 54 FR 43881 (order approving extension of Amex, BSE, MSE, NASD, NYSE and Phlx circuit breaker rules).

¹² See Securities Exchange Act Release Nos. 28580 (October 25, 1990), 55 FR 45895; 29868 (October 28, 1991), 56 FR 56535; 31387 (October 30, 1992), 57 FR 53157; 33120 (October 29, 1993), 58 FR 59503; and 34900 (October 26, 1995), 59 FR 54932 (orders approving extensions of Amex, NYSE, and Phlx circuit breaker rules).

¹³ See Securities Exchange Act Release Nos. 29868 and 33120, *supra* note 11 (orders approving the extension of the BSE circuit breaker rules, the most recent approving the pilot through October 31, 1995).

¹⁴ Securities Exchange Act Release Nos. 28580, 29868, 31387, and 33120, *supra* note 11 (orders approving the CHX circuit breaker rules, the most recent approving the pilot through October 31, 1995).

¹⁵ See Securities Exchange Act Release Nos. 28694 (December 12, 1990), 55 FR 52119; 30304 (January 29, 1992), 57 FR 4658; 33292 (December 6, 1993), 58 FR 65214; and 35133 (December 21, 1994), 59 FR 67361 (orders approving NASD circuit breaker rules, the most recent approving the pilot through December 31, 1995).

¹⁶ The Working Group in Financial Markets was established by the President in March 1988 to provide a coordinating framework for consideration, resolution, recommendation, and action on the complex issues raised by the market break in October 1987. The Working Group consists of the Chairmen of the Commission, Board of Governors of the Federal Reserve System and the Commodity Futures Trading Commission ("CFTC"), and the Under Secretary for Finance of the Department of the Treasury.

¹⁷ In particular, the Working Group recommended a one-hour trading halt if the DJIA declined 250 points from its previous day's closing level, and a subsequent two-hour trading halt if the DJIA declined 400 points below its previous day's closing level. The Working Group also recommended that the NYSE use reopening procedures, similar to those used on Expiration Fridays, that are designed to enhance the information made public about market conditions.

¹⁸ 15 U.S.C. § 78f(b)(5) (1988).

current provisions, which originally were subject to the full notice and comment procedures, and accelerated approval would enable the pilots to continue on an uninterrupted basis. Due to the importance of these circuit breakers for market confidence, soundness, and integrity, it is necessary and appropriate that these procedures continue uninterrupted. Therefore, the Commission believes that granting accelerated approval of the proposed rule changes is appropriate and consistent with Sections 6 and 19(b)(2) 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 changes that are filed with the Commission, and all written communications relating to the proposed rule changes 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 Room. Copies of such filings also will be available for inspection and copying at the principal offices of the above-mentioned exchanges. All submissions should refer to File Nos. SR-AMEX-95-40, SR-BSE-95-15, SR-CHX-95-23, SR-NYSE-95-34, or SR-Phlx-95-72 and should be submitted by November 22, 1995.

V. Conclusion

IT IS THEREFORE ORDERED, pursuant to section 19(b)(2) of the Act,¹⁹ that the Amex, NYSE, and Phlx proposed rule changes (SR-Amex-95-40, SR-NYSE-95-34 and SR-Phlx-95-72), are approved until October 31, 1996; and that the BSE and CHX proposed rule changes (SR-BSE-95-15 and SR-CHX-95-23) are approved until October 31, 1997).

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.²⁰

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95-27004 Filed 10-31-95; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-21457; 811-4654]

Colonial Small Stock Index Trust; Notice of Application

October 26, 1995.

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

ACTION: Notice of Application for Deregistration under the Investment Company Act of 1940 (the "Act").

APPLICANT: Colonial Small Stock Index Trust.

RELEVANT ACT SECTIONS: Order requested under section 8(f).

FILING DATES: The application was filed on September 22, 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 applicants with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on November 20, 1995, and should be accompanied by proof of service on applicants, 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 5th Street, N.W., Washington, D.C. 20549. Applicant, One Financial Center, Boston, Massachusetts 02111.

FOR FURTHER INFORMATION CONTACT: David W. Grim, Law Clerk, at (202) 942-0571, or Robert A. Robertson, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is a registered open-end management investment company organized as a Massachusetts business trust. On May 2, 1986, applicant filed a Notification of Registration on Form N-8A pursuant to section 8(a) of the Act and a registration statement on Form N-1A under section 8(b) of the Act and under the Securities Act of 1933. The registration statement became effective on July 22, 1986, and the initial public offering commenced on July 25, 1986.

2. On April 12, 1991 and December 13, 1991, applicant's board of trustees

approved an agreement and plan of reorganization (the "Plan") between applicant and Colonial Small Stock Fund (the "Fund"), a newly organized series of Colonial Trust VI. At the December 13, 1991 meeting, the board made the findings required by rule 17a-8 under the Act.¹ The board approved the merger as a means of reducing certain expenses of applicant, such as state and federal filing fees, and enabling the implementation of certain changes in the trust agreement and bylaws, such as permitting the issuance of multiple classes of shares and providing for broader indemnification of trustees.

3. On September 16, 1992, applicant distributed proxy materials to its shareholders. At a special meeting on November 2, 1992, applicant's shareholders approved the reorganization.

4. Pursuant to the Plan, on November 6, 1992, applicant transferred its net assets to the Fund. In exchange for applicant's net assets, applicant received shares of the Fund with an aggregate net asset value equal to the value of such net assets. Following this exchange, applicant distributed the shares of the Fund received in connection with the reorganization to its shareholders on a *pro rata* basis. On the date of reorganization, applicant had 1,562,326.56 shares of beneficial interest outstanding, having an aggregate net asset value of \$20,320,500.66 and a net asset value per share of \$13.01.

5. The following expenses incurred in connection with the merger were borne by applicant: \$2,100 in legal expenses, \$576 in auditing expenses, \$1,793 in printing expenses, \$4,859 in mailing expenses, and \$1,969 in proxy solicitation expenses.

6. As of the date of the application, applicant had no shareholders, assets, or liabilities. Applicant is not a party to any litigation or administrative proceeding. Applicant is neither engaged nor proposes to engage in any business activities other than those necessary for the winding-up of its affairs.

7. Applicant intends to file certificates of dissolution or similar documents in accordance with the law of the Commonwealth of Massachusetts after the receipt of requested relief.

¹ Rule 17a-8 provides an exemption from section 17(a) of the Act for certain reorganizations among registered investment companies that may be affiliated persons, or affiliated persons of an affiliated person, solely by reason of having a common investment adviser, common directors, and/or common officers.

¹⁹ 15 U.S.C. § 78s(b)(2) (1988).

²⁰ 17 CFR 200.30-3(a)(12) (1994).