

continuity of the index's value. In the event of a merger, consolidation, dissolution, or liquidation of an issuer, or in certain other events such as the distribution of property by an issuer to shareholders, components in the index may be deleted or replaced. Shares of a component stock may be replaced (or supplemented) with other securities under certain other circumstances, such as the conversion of a component stock into another class of security or the spin-off of a subsidiary. If the stock remains in the index, the divisor may be adjusted to maintain the continuity of the Index's value. In the event that a security in the index is removed due to a corporate consolidation and the holders of such security receive cash, the cash value of such security will be included in the Index and will accrue interest at LIBOR to term.

## 2. Statutory Basis

The Amex believes that the proposed rule change is consistent with Section 6(b) of the Act in general, and with Section 6(b)(5) in particular,<sup>4</sup> 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 Amex 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 Amex consents, the Commission will:

A. By order approve the proposed rule change, or

B. Institute proceedings to determine whether the proposed rule 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, N.W., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of the Amex. All submissions should refer to File No. SR-Amex-96-12 and should be submitted by May 14, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>5</sup>

Margaret H. McFarland,

*Deputy Secretary.*

[FR Doc. 96-9894 Filed 4-22-96; 8:45 am]

BILLING CODE 8010-01-M

[Release No. 34-37121; International Series Release No. 969; File No. SR-CHX-96-12]

### **Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto by the Chicago Stock Exchange, Inc. Relating to Listing Standards for Investment Company Units**

April 17, 1996.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934, 15 U.S.C. 78s(b)(1) ("Act"), notice is hereby given that on March 27, 1996, the Chicago Stock Exchange, Inc. ("CHX" 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 self-regulatory organization. On April 12, 1996, the Exchange filed Amendment No. 1 to its proposal.<sup>1</sup> The Commission is

<sup>5</sup> 17 CFR 200.30-3(a)(12) (1994).

<sup>1</sup> Amendment No. 1 serves to supersede entirely the Exchange's initial rule filing. Therefore, this notice incorporates Amendment No. 1 in its entirety. Letter from Charles R. Haywood, Foley & Lardner, to Francois Mazur, Attorney, Division of

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 amend Article XXVIII of its Rules governing the listing requirements of securities on the CHX, as well as Article XXX of the CHX's Rules governing specialists.

### **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 self-regulatory organization 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 self-regulatory organization 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*

The Exchange is proposing listing standards for units of trading ("Units") that represent an interest in a registered investment company ("Investment Company") that could be organized as a unit investment trust ("UIT"), an open-end management investment company, or a similar entity. The investment company would hold securities comprising, or otherwise based on or representing an investment in, an index or portfolio of securities. The investment company could either hold the securities directly or could hold another security representing the index or portfolio of securities (such as shares of a UIT that holds shares of an open-end investment company).

Under the proposed rules, the Investment Company would be required either to: (i) hold securities comprising or otherwise based on or representing and interest in an index or portfolio of securities, or (ii) hold securities in another registered investment company.<sup>2</sup> The Investment Company would then issue Units in a specified aggregate number in return for a deposit of either: (i) shares of securities

Market Regulation, Commission, dated April 11, 1996 ("Amendment No. 1").

<sup>2</sup> Telephone Conversation between David T. Rusoff, Foley & Lardner, and Francois Mazur, Office of Market Supervision, Division of Market Regulation, on April 12, 1996.

<sup>4</sup> 15 U.S.C. 78f(b)(5) (1988).

comprising or otherwise based on the relevant index or portfolio, or (ii) shares of a registered investment company. In addition or instead of the "in-kind" deposit, the Investment Company might require a cash deposit. Thus, Units could be structured as series of an open-end management investment company investing in a portfolio of securities ("Fund-only structure"). Alternatively, Units could be structured as UITs that have as their assets shares of an open-end investment company holding a portfolio of securities ("Fund/UIT structure"). Unit holders would receive periodic cash payments corresponding to the regular cash dividends or distributions declared with respect to the securities held by the Investment Company (after subtracting applicable expenses and charges).

Units would be distributed in "Creation Transactions." To effect a Creation Transaction in a Fund-only structure, an entity would buy shares from the investment company ("Fund") in "Creation Unit" size aggregations in exchange for a deposit of a basket of securities reflecting the securities underlying the Fund and/or cash deposit. To effect a Creation Transaction in a Fund/UIT structure, an entity would buy a Fund share with a similar deposit and exchange it for a Creation Unit.<sup>3</sup> The owner of a Creation Unit could then subdivide the Creation Unit into a specific number of identical fractional non-redeemable sub-units, the Units, that would constitute securities traded. Units could be recombined into Creation Unit aggregations, and redeemed for the securities underlying the Fund and/or an amount of cash, either directly, or indirectly, depending on the structure chosen. The securities would not be redeemable other than in Creation Unit aggregations.<sup>4</sup>

Dealing in Units on the Exchange will be conducted pursuant to the Exchange's general agency-auction trading rules. The Exchange's general dealing and settlement rules would apply, including its rules on clearance and settlement of securities transactions and its equity margin rules. Other generally applicable Exchange equity rules and procedures also would apply. Unless the prospectus for a specific security states otherwise, the Units trading on the Exchange will have one vote per share; however, as with other securities issued by registered investment companies, there will not be a "pass-through" of the voting rights on the actual index securities held by a fund or directly or indirectly by a trust.

<sup>3</sup> *Id.*

<sup>4</sup> *Id.*

With respect to specialist dealings, Article XXX, Rule 23(a) of the Exchange's Rules precludes certain business relationships between an issuer of an "exclusive issue" and the specialist in that exclusive issue.<sup>5</sup> Rule 23(a) could be interpreted when listing certain types of Units to prevent a specialist from engaging in Creation Transactions with the issuer. The Exchange believes, however, that such market activities could enhance liquidity in the Units and facilitate the specialist's market-making responsibilities. In addition, since the specialist will be able to engage in Creation Transactions and redemptions only according to the same terms and conditions as every other investor (and only at net asset value), the Exchange believes that there is no potential for abuse.

Therefore, the Exchange proposes amending Article XXX, Rule 23(a) to permit specialists to engage in these types of transactions if such transactions would facilitate the maintenance of a fair and orderly market in the Security. Any Creation Transactions in which the specialist engages, however, will have to be effected through the Distributor (as defined herein), and not directly with the issuer. This requirement will make clear that the specialist is purchasing Units in Creation Unit-size aggregations only to facilitate normal specialist trading activity.

With respect to investor disclosure, the Exchange notes that, pursuant to the requirements of the Securities Act of 1933 ("1933 Act"), all investors in Units will receive a prospectus regarding the Units. Because the Units will be in continuous distribution, the prospectus delivery requirements of the 1933 Act will apply to all investors in Units. It is possible, however, that an exemption from the prospectus delivery requirement may be obtained at some point in the future with respect to Units listed or traded on the Exchange. In the event of such an exemption, the Exchange will discuss with Commission staff the appropriate level of disclosure that should be required with respect to the Units being listed or traded, as appropriate, and will file any necessary rule change to provide for such disclosure.

Upon the initial listing of any class of Units or trading of such Units pursuant

<sup>5</sup> Interpretation and Policy .01 of Article XXX, Rule 23 defines "exclusive issue" as the stock of any company traded on the Exchange no otherwise traded on the NYSE, American Stock Exchange, or NASDAQ/NMS, and, where there exists another market for such issue, the Exchange has executed 15% or more of the volume in the issue during the three previous months.

to unlisted trading privileges, the Exchange will issue a circular to its membership explaining the unique characteristics and risks of this type of security. The circular will, among other things, inform member organizations of their responsibility to deliver a prospectus to investors.

With respect to trading halts, the trading of Units would be halted, along with the trading of all other listed stocks, in the event the "circuit breaker" thresholds of Article IX, Rule 10A of the Exchange's Rules are reached.

The Exchange proposes that Units trade either in certificated form or solely through the use of a global certificate. Permitting the use of global certificates would be consistent with expediting the processing of transactions in Units and would minimize the costs of engaging in transactions in these securities.

One existing form of Units are CountryBasket securities ("Securities"),<sup>6</sup> which are created pursuant to a Fund-only structure. The New York Stock Exchange ("NYSE") has received permission to list and trade CountryBaskets.<sup>7</sup> CHX is not asking permission to list CountryBaskets at this time, but rather will trade CountryBaskets pursuant to unlisted trading privileges ("UTP") once the generic listing standards set forth herein are approved.

Pursuant to Rule 12f-5 under the Act,<sup>8</sup> prior to trading a particular class or type of security pursuant to UTP, CHX must have listing standards comparable to those of the primary exchange on which the security is listed. The NYSE has adopted listing standards for investment company units, and CHX's proposed rule change is designed to create similar standards for investment company unit listing and/or trading on CHX. As stated above, CHX propose to trade CountryBaskets pursuant to UTP upon approval of this rule filing.

The remainder of this section of the filing merely provides background information on CountryBaskets. The information, taken from File No. SR-NYSE-95-23, describes the structure and mechanics of CountryBaskets.

CountryBasket securities are issued as series of an open-end management investment company that will invest in a portfolio of securities ("Index Securities") included in a corresponding index. Each series of the

<sup>6</sup> CHX understands that "CountryBaskets" and "The CountryBaskets Index Fund" are service marks of Deutsche Morgan Grenfell/C.J. Lawrence, Inc. ("DMG"), the investment advisor to the fund.

<sup>7</sup> Securities Exchange Act Release No. 36923 (March 5, 1996), 61 FR 10410.

<sup>8</sup> 17 CFR 240.12f-5 (1995).

investment company is designed to provide investment results that substantially correspond to the price and yield performance of a corresponding FT/S&P-Actuaries World Index ("Index" or "FT/S&P").<sup>9</sup> The initial nine series of Funds will be based on the following Indices: Australia, France, Germany, Hong Kong, Italy, Japan, South Africa, United Kingdom, and the United States.

#### *Distribution of the Securities*

The Securities are distributed in transactions with the Fund through Creation Transactions. To effect a Creation Transaction, a person would buy Fund shares from the Fund at their net asset value ("NAV") next computed. The sales will be in Creation Unit-size aggregations in exchange for a deposit ("Deposit") of Index Securities (a "Fund Basket") and a specified amount of cash sufficient to equal the NAV of such shares.

Securities in Creation Unit-size aggregations may be redeemed, at NAV, generally for an in-kind distribution of Index Securities comprising the Fund shares, plus a cash payment. A Creation Unit-size of Fund shares will represent securities with approximately \$2 to \$9.5 million in market value. The Creation Unit would be disaggregated into the individual Securities that would trade on the Exchange.<sup>10</sup> For the nine initial

<sup>9</sup> According to Amendment No. 1 to SR-NYSE-95-23, the Indices are a continuation of the FT-Actuaries World Indices, which were jointly founded by The Financial Times Limited ("FT"), Goldman, Sachs & Co. ("Goldman"), and NatWest Securities Limited ("NatWest," and each a "Founding Member"). In May 1995, Standard & Poor's ("S&P"), a division of The McGraw-Hill Companies, Inc., joined FT and Goldman as co-publishers of the predecessor to the Indices. As part of the new arrangement, NatWest withdrew from the management of those indices, but continues to be recognized as a Founding Member. The Indices are now jointly owned by S&P, FT and Goldman. Following a transition period, FT and S&P will jointly calculate the Indices. In November 1995, FT transferred its ownership rights in the Indices to FT-SE International, a new company jointly owned by the FT and the London Stock Exchange. By the end of 1996, it is expected that FT-SE International will assume responsibility for calculating the European and Asia-Pacific Indices and S&P will calculate the U.S. Index.

<sup>10</sup> If a Fund/UIT structure instead had been used, a "Redeemable Unit" would represent the functional equivalent of the Creation Unit. The owner of a Redeemable Unit could separate it into a specific number of identical fractional non-redeemable sub-units that would constitute the Securities traded on the Exchange. In the case of the Germany CountryBasket series, for example, there would be 100,000 Securities per Redeemable Unit. These Securities could be recombined into Redeemable Units and then redeemed, at NAV, for the appropriate number of Fund shares. In turn, the Fund shares could be redeemed for the Index Securities and cash. The Securities would not be redeemable other than in the Creation Unit aggregations.

CountryBasket securities, there would be the following number of Securities per Creation Unit:  
 Australia—100,000  
 France—100,000  
 Germany—100,000  
 Hong Kong—100,000  
 Italy—100,000  
 Japan—250,000  
 South Africa—100,000  
 United Kingdom—100,000  
 United States—100,000

There may be an initial distribution period of Fund shares lasting from one to a few weeks. During this period, the principal underwriter or distributor ("Distributor") directly or through soliciting dealers would accept subscriptions to purchase Fund shares.

#### *Exchange Trading of Units*

The proposed listing criteria provide flexible standards for the listing of Units. Before commencing trading, the Exchange will require that there be at least 300,000 tradeable Units outstanding, representing, for the nine series encompassed by this filing, at least three Creation Units (except for the Japan CountryBasket). The Exchange will consider the suspension of trading and the delisting of a series of Units if:

- After the first year of trading, there are fewer than 50 record or beneficial holders of the Units for 30 or more consecutive trading days;
- The value of the underlying index or portfolio of securities is no longer calculated or available; or
- There occurs another event that makes further dealings in the Units on the Exchange inadvisable.

#### *The FT/S&P-Actuaries World Indices*

Deutsche Bank Securities Corporation, formerly investment adviser to the Funds, provided the NYSE with certain information describing the FT/S&P-Actuaries World Indices, contained within NYSE filing SR-NYSE-95-23, as amended. The following combines information from the initial filing and Amendment Nos. 1 and 2 to that filing.

#### *Establishing an Index*

The FT/S&P are jointly compiled by the Financial Times Limited, Goldman, Sachs & Co., and Standard & Poor's, a division of The McGraw-Hill Companies, Inc., in conjunction with the Institute of Actuaries (together, the "consortium").<sup>11</sup> The aim of the

<sup>11</sup> In Amendment No. 1 to SR-NYSE-95-23, the NYSE stated that certain modifications had occurred to the indices. The Chicago Stock Exchange's filing has incorporated the additional information, and operates under the assumption that the original information detailed in SR-NYSE-95-23 continues to be accurate to the extent not modified by the NYSE's amendment.

Consortium is to create and maintain a series of high quality equity indices for use by the global investment community. Specifically, the Consortium seeks to establish and maintain the FT/S&P so that the respect to their corresponding markets, they are comprehensive, consistent, flexible, accurate, investible, and representative.

The World Index Policy Committee ("WIPC") makes all policy decisions concerning the FT/S&P, including objectives, selection criteria, liquidity requirements, calculation methodologies, and the timing and disclosure of additions and deletions. The WIPC makes those decisions in a manner that is consistent with the stated aims and objectives of the Consortium. In general, the WIPC aims for a minimum of 70 percent coverage of the aggregate value of all domestic exchange-listed stocks in every country, region and sector in which it maintains an index.

The WIPC consists of one representative of each Consortium member, one member nominated by each of the parties as representing an actual or prospective main user group of the World Indices, a Chairman and additional member who are members of the Institute of Actuaries of the Faculty of Actuaries.

A country must satisfy the following criteria for the WIPC to include it in the FT/S&P-Actuaries World Indices: (1) Direct equity investment by non-nationals must be permitted, (2) accurate and timely data must be available; (3) no significant exchange controls should exist that would prevent the timely repatriation of capital or dividends; (4) significant international investor interest in the local equity market must have been demonstrated; and (5) adequate liquidity must exist.

Securities in the FT/S&P are subject to the following "investibility screens": (1) Securities comprising the bottom five percent of any market's capitalization are excluded; (2) securities must be eligible to be owned by foreign investors; (3) 25 percent or more of the full capitalization of eligible securities must be publicly available for investment and not in the hands of a single party or parties "acting in concert"; and (4) securities that fail to trade for more than 15 business days within each of two consecutive quarters are excluded.

The WIPC seeks to select constituent stocks that capture 85 percent of the equity that remains in any market (known as the "investible universe") after applying the investibility screens. Securities are selected with regard to economic sector and market

capitalization to make a given FT/S&P highly representative of the overall economic sector make-up and market capitalization distribution of the investible universe of a market.

#### Maintaining an Index

The WIPC may add securities to the FT/S&P for any of the following reasons:

(1) The addition would make the economic sector make-up and market capitalization distribution of the FT/S&P component more representative of its investible universe; (2) a non-constituent security has gained in importance and replaces an existing constituent security under the rules of review established by the WIPC; (3) the FT/S&P component represents less than its targeted percentage of the capitalization of its investible universe (usually in cases where the investible universe has grown faster than the corresponding FT/S&P); (4) a new, eligible security becomes available whose total capitalization is one percent or more of the current capitalization of the relevant FT/S&P; (5) an existing constituent "spins off" a part of its business and issues new equity to the existing shareholders; or (6) changes in investibility factors lead to a stock becoming eligible for inclusion and that stock now qualifies on other grounds.

The WIPC may adjust the FT/S&P for any of the following reasons: (1) The component comprises too high a percentage of its representative universe; (2) a review by the WIPC shows that a constituent security has declined in importance and should be replaced by a non-constituent security; (3) the deletion of a security that has declined in importance would make the FT/S&P more representative of the economic make-up of its investible universe; (4) circumstances regarding investibility and free float change, causing the constituent security to fail the FT/S&P screening criteria; (5) and existing constituent security is acquired by another entity; or (6) the stock has been suspended from trading for a period of more than ten working days. Generally, but not in all cases, changes resulting from review by the WIPC occur at the end of a calendar quarter. Changes resulting from merger or "spin-off" activity will be effectuated as soon as practicable.

#### Dissemination of Changes to the Constituent Stocks in the Indices

Changes to an Index made during a calendar quarter are noted at the foot of the tables containing the Indices that are published daily in the ET. Consistent with the FT publication policy, these changes also are shown prior to the

actual day of implementation (unless for reasons beyond the control of FT this is not possible). Decisions regarding the addition of new eligible constituent stocks that are unrelated to existing stocks in an Index, or weighting changes to existing constituent stocks, are announced in the FT at least four working days before they are implemented. Monday editions of the FT also show all constituent changes made during the previous week, together with base values for each Index. Changes to be made in an Index at the end of a calendar quarter are published as soon as is practicable following the quarterly meeting of the World Indices Policy Committee, but before the quarter-end.

#### Calculation and Dissemination of an Index

The FT/S&P are calculated through widely accepted mathematical formulae, with the effect that the Indices are weighted arithmetic averages of the price relatives of the constituents—as produced solely by changes in the marketplace—adjusted for intervening capital changes. The FT/S&P are base-weighted aggregates of the initial market capitalization, the price of each issue being weighted by the number of shares outstanding, modified to reflect only those shares outstanding that are eligible to be owned by foreign investors.

For each constituent security, the implied annual dividend is divided by 260 (an accepted approximation for the number of business days in a calendar year). This dividend is then reinvested daily according to standard actuarial calculations. Distributions affect adjustments to the base capital or the price per share in accordance with prescribed FT/S&P standards. The indices' values and related performance figures for various periods of time are calculated daily and are disseminated to the public.

The FT/S&P are valued in terms of local currency, U.S. dollars, and U.K. pounds sterling, thereby allowing the effect of currency value on the Index value to be measured. Changes to the indices are announced as soon as possible, and on Mondays the Financial Times publishes a list of changes to each index implemented during the previous week, if any. The FT/S&P are calculated once a day on weekdays when one or more of the constituent markets are open; the indices are syndicated and published in the financial sections of several newspapers worldwide. FT/S&P data also may be purchased electronically.

Recognizing the importance of having current information on the value of the Indices, DMG has arranged for Telesphere Corporation (formerly Telekurs (North America) Inc.) ("Telesphere") to calculate "indicative values" for the nine Indices on which CountryBaskets are based on a more frequent basis. CHX understands that the NYSE will provide for the dissemination of these indicative values through the facilities of the Consolidated Tape Association ("CTA").

In calculating "indicative values," Telesphere will use the most currently available stock price information for the constituent stocks in an Index (based on home currency prices) and prevailing currency exchange rates to translate the Index value into U.S. dollars. Telesphere will also use the same pricing algorithm and methodology as the Index calculators in calculating the indicative values. These values will be disseminated every 30 seconds by the NYSE during regular trading hours of 9:30 A.M. to 4:00 P.M. Eastern time. Due to the differences in trading hours in the markets for the stocks underlying the Indices, the calculation of the indicative values will be implemented as follows:

- *Pacific Rim.* Australia, Hong Kong, and Japan. There is no overlap between the NYSE trading hours and the home-country trading hours. Thus, the indicative values will always reflect the closing prices of the underlying securities on the most recently completed trading day, but will be updated every 30 seconds to reflect changes in exchange rates.

- *Europe.* France, Germany, Italy, and the United Kingdom. There is some overlap between NYSE trading hours and home-country trading hours. Thus, the 30-second updates for these Indices will reflect changes in both current stock price information and currency exchange rates while the relevant market is open; it will reflect only changes in exchange rates once the home-market closes.

- *United States.* Each 30-second update will reflect the current price of U.S. component stocks.

- *South Africa.* During Eastern Standard Time there is no overlap between NYSE and South African trading hours. During Eastern Daylight Savings Time there is a half-hour overlap. Thus, during Standard Time, the disseminated Index values will reflect the closing South African prices. During Daylight Savings Time, there will be a real-time feed of stock prices from the Johannesburg Stock Exchange and there will be a real-time calculation of the indicative value of the Index at 30-second intervals during the half-hour overlap.

While these indicative values will not be the official values of the Indices (which will continue to be calculated and disseminated once each day), the

Exchange believes that these values will provide investors with accurate, timely information on the values of the Indices. Of course, it cannot be guaranteed that the indicative value will at all times be a completely accurate reflection of the value of the underlying index. This also will provide all investors with equal access to information concerning the values of the Indices. While some market participants may be able to perform these calculations for their own trading purposes during the business day, many participants lack sufficient resources to do so. Providing standardized information through CTA facilities will help ensure that all investors have equal access to this market information.<sup>12</sup>

Although the Chicago Stock Exchange operates under Central Time, its trading hours are timed to coincide with those of the NYSE. Therefore, the time zone difference will not affect the ability to trade CountryBaskets on the CHX with full price information.

Telesphere is providing the indicative values subject to substantially the following terms regarding its liability:

The values are representative, unofficial, and indicative estimates of the FT/S&P-Actuaries World Indices ("FT/S&P") calculated by Telesphere Corporation ("Telesphere"). Although they are provided with permission under a licensing agreement with Deutsche Morgan Grenfell/C.J. Lawrence Inc. ("Subscriber"), they are not, and should not be considered as, official FT/S&P index values. They are provided as an information service to benefit the investment community. Neither Telesphere nor Subscriber, The Financial Times Ltd., Standard & Poor's, Goldman, Sachs & Co., or their partners, affiliates employees and Agents, shall have any liability contingent or otherwise, to third parties for the completeness, or interruption in the delivery of the indicative indices. In no event will any such party be liable for any special, indirect, incidental, or consequential damages.

The Exchange believes that its proposal is consistent with Section 6(b)(5) of the Act in that the proposal fosters cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, removes impediments to and perfects the mechanism of a free and open

<sup>12</sup> In the unlikely event that Telesphere determines that it no longer will calculate the indicative values of the Indices, according to the NYSE DMG will seek to find another entity to provide such values on substantially the same basis as Telesphere. If this were to occur, the NYSE has represented that it will consult with the staff of the Division of Market Regulation to ensure that the staff finds any proposed new arrangements acceptable, including the possibility of ending trading in the securities.

market and a national market system and protects investors and the public interest.

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

The proposed rule change does not impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the 1934 Act.

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

The Exchange has not solicited, and does not intend to solicit, comments on this proposed rule change. The Exchange has not received any unsolicited written comments from members or other interested parties.

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

Within 35 days of the date of 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 self-regulatory organization consents, the Commission will:

- (a) By order approve such proposed rule change, or
- (b) Institute proceedings to determine whether the proposed rule 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 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 above-mentioned self-

regulatory organization. All submissions should refer to File No. SR-CHX-96-12 and should be submitted by May 14, 1996.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>13</sup>

Margaret H. McFarland,  
*Deputy Secretary.*

[FR Doc. 96-9893 Filed 4-22-96; 8:45 am]

BILLING CODE 8010-01-M

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## SMALL BUSINESS ADMINISTRATION

### Interest Rates

The Small Business Administration publishes an interest rate called the optional "peg" rate (13 CFR 122.8-4(d)) on a quarterly basis. This rate is a weighted average cost of money to the government for maturities similar to the average SBA direct loan. This rate may be used as a base rate for guaranteed fluctuating interest rate SBA loans. This rate will be 5¾ percent for the April-June quarter of FY 96.

Pursuant to 13 CFR 108.503-8(b)(4), the maximum legal interest rate for a commercial loan which funds any portion of the cost of a project (see 13 CFR 108.503-4) shall be the greater of 6% over the New York prime rate or the limitation established by the constitution or laws of a given State. The initial rate for a fixed rate loan shall be the legal rate for the term of the loan.

John R. Cox,

*Associate Administrator for Financial Assistance.*

[FR Doc. 96-9876 Filed 4-22-96; 8:45 am]

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## DEPARTMENT OF TRANSPORTATION

### Aviation Proceedings; Agreements Filed During the Week Ending April 12, 1996

The following Agreements were filed with the Department of Transportation under the provisions of 49 U.S.C 412 and 414. Answers may be filed within 21 days of date of filing.

*Docket Number:* OST-96-1251

*Date filed:* April 11, 1996

*Parties:* Members of the International Air Transport Association

*Subject:*

COMP Telex Mail Vote 798

Fares from Sudan

Intended effective date: May 1, 1996

*Docket Number:* OST-96-1252

*Date filed:* April 11, 1996

<sup>13</sup> 17 CFR 200.30-3(a)(12) (1994).