(3) Expiration date; ¹² (4) option type (put, call, or spread); and (5) form of settlement (A.M., P.M. or average). These terms are identical to the terms that can be designated for the previously approved PCX FLEX Index Options. ¹³

The Exchange also proposes to list and trade full-value LEAPS, pursuant to PCX Rule 6.4(d), on the Index. ¹⁴ LEAPS on the Index will allow the PCX to list options series with expirations of up to three years from the date of issuance. For LEAPS, the underlying value would be computed by using the same levels as proposed for the Index options. ¹⁵

III. Discussion

After careful review, 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. 16 Specifically, the Commission believes the proposal is consistent with the requirements of Section 6(b)(5) of the Act 17 because trading of FLEX Options and LEAPS on the Taiwan Index will serve to protect investors, promote the public interest, and help to remove impediments to a free and open securities market. The Commission also believes that the trading of FLEX Options and LEAPS on the Index will provide investors with more flexibility in hedging the risks associated with holding some or all of the securities underlying the Index. 18 By broadening the hedging and investment opportunities of investors, the Commission believes that the trading of FLEX Options and LEAPS on the Index will serve to protect investors, promote the public interest, and contribute to the maintenance of fair and orderly markets.

In particular, as noted above, FLEX Options on the Index will allow investors to customize certain terms, including size, term to expiration, exercise style, exercise price, and exercise settlement value. 19 LEAPS should also benefit investors by allowing them to hedge positions on the Index on a longer term basis through investment in one options series, rather than having to roll shorter term expirations into new series to remain hedged on a longer basis.

The Commission notes that the Taiwan Index was thoroughly reviewed recently in connection with the Exchange's proposal to list and trade standardized, non-FLEX options based on the Index.²⁰ At that time, the Commission found that the Exchange had adequately addressed the Commission's concerns arising from issues relating to the design and structure of the Index, customer protection and surveillance. The Commission's findings relied on several factors, including the large capitalizations, substantial trading volume, wide diversity of the component stocks in the Taiwan Index and the size of the market underlying the Index.21

The Commission believes that it is reasonable for the Exchange to allow trading in FLEX Options and LEAPS based on this Index given that, to the Commission's knowledge, there have been no significant, adverse changes to the Index to date that would change the Commission's initial findings approving the trading of options on the Index. For the foregoing reasons, the Commission finds that the PCX's proposal to trade FLEX Options and LEAPS based on the Taiwan index is consistent with the requirements of the Act and the rules and regulations thereunder.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,²² that the proposed rule change (SR–PCX–97–22) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority. 23

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 97–28568 Filed 10–28–97; 8:45 am] BILLING CODE 8010–01–M

SMALL BUSINESS ADMINISTRATION

Reporting and Recordkeeping Requirements Under OMB Review

ACTION: Notice of Reporting Requirements Submitted for Review.

SUMMARY: Under the provisions of the Paperwork Reduction Act (44 U.S.C. Chapter 35), agencies are required to submit proposed reporting and recordkeeping requirements to OMB for review and approval, and to publish a notice in the **Federal Register** notifying the public that the agency has made such a submission.

DATES: Comments should be submitted on or before November 28, 1997. If you intend to comment but cannot prepare comments promptly, please advise the OMB Reviewer and the Agency Clearance Officer before the deadline.

COPIES: Request for clearance (OMB 83–1), supporting statement, and other documents submitted to OMB for review may be obtained from the Agency Clearance Officer. Submit comments to the Agency Clearance Officer and the OMB Reviewer.

FOR FURTHER INFORMATION CONTACT:

Agency Clearance Officer: Jacqueline White, Small Business Administration 409 3RD Street, S.W., 5th Floor, Washington, D.C. 20416, Telephone: (202) 205–6629.

OMB Reviewer: Victoria Wassmer, Office of Information and Regulatory, Affairs Office of Management and Budget, New Executive Office Building, Washington, D.C. 20503.

Title: Procurement Automated Source System (PASS).

Form No's: SBA Forms 1062 and 1395.

Frequency: On Occasion.

Description of Respondents: Small Business Interested in Federal Procurement Opportunities.

Annual Responses: 242,000.

Annual Burden: 47,333.

Jacqueline White,

Chief, Administrative Information Branch. [FR Doc. 97–28677 Filed 10–28–97; 8:45 am] BILLING CODE 8025–01–P

¹²The expiration date of a FLEX Option may not fall on a day that is on, or within two business days, of the expiration date of a non-FLEX option.

¹³ See *supra* note 5.

¹⁴ The Exchange is not proposing to trade reduced-value LEAPS on the Dow Taiwan Index.

¹⁵ Telephone conversation on October 8, 1997 between Michael Pierson, Senior Attorney, PCX, and Deborah Flynn, Attorney, Division of Market Regulation, Commission.

¹⁶ In approving this rule, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78cff)

^{17 15} U.S.C. 78f(b)(5).

¹⁸ Pursuant to Section 6(b)(5) of the Act, the Commission must predicate approval of any new securities product upon a finding that the introduction of such product is in the public interest. Such a finding would be difficult with respect to a product that served no hedging or other economic function, because any benefits that might be derived by market participants likely would be outweighed by the potential for manipulation, diminished public confidence in the integrity of the markets, and other valid regulatory concerns.

¹⁹ The Commission believes that the proposal to trade FLEX Options on the Taiwan Index should also encourage fair competition by allowing the Exchange to compete with the growing OTC market in customized index options to address the demands of sophisticated portfolio managers and other institutional investors who are increasingly relying on the OTC market to satisfy their hedging needs.

²⁰ See *supra* note 11.

²¹ *Id*.

^{22 15} U.S.C. 78s(b)(2).

^{23 17} CFR 200.30-3(a)(12).