options position. In particular, position and exercise limits are designed to minimize the potential for minimanipulations<sup>11</sup> and for corners or squeezes of the underlying market. They also impose a ceiling on the maximum position an investor with inside corporate or market information can establish through the use of options. In addition, they serve to reduce the possibility for disruption of the options market itself, especially in illiquid options classes. The proposal extends the benefits of the position and exercise limit rules to include all exchangetraded options transactions entered into by PHLX members. The Commission also notes that violations of the PHLX's position and exercise limits rules for transactions that do not comply with the position and exercise limits of another exchange will be subject to the same fines or disciplinary action for position and exercise limit violations as those applicable to PHLX options.12

The Commission finds good cause for approving Amendment No. 1 to the proposal prior to the thirtieth day after the date of publication of notice of filing thereof in the Federal Register Specifically, Amendment No. 1 clarifies and strengthens the PHLX's proposal and therefore raises no new regulatory issues. Accordingly, the Commission believes that it is consistent with Section 6(b)(5) of the Act to approve Amendment No. 1 to the proposal on an accelerated basis.

Interested persons are invited to submit written data, views and arguments concerning Amendment No. 1. 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. 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 the file number in the caption above and should be submitted by October 19, 1995.

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,<sup>13</sup> that the amended proposed rule change (File No. SR-PHLX–95–31) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>14</sup>

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 95–24027 Filed 9–27–95; 8:45 am] BILLING CODE 8010–01–M

[Release No. 34–36255; International Series Release No. 858 File Nos. SR–Phlx–95–20 and SR–Phlx–95–21]

Self-Regulatory Organizations; Order Approving Proposed Rule Changes and Notice of Filing and Order Granting Accelerated Approval of Amendment No. 1 to Each of the Proposed Rule Changes by the Philadelphia Stock Exchange, Inc. Relating to the Listing of Customized Foreign Currency Options on the Italian Lira and Spanish Peseta

September 20, 1995.

On April 5, 1995, the Philadelphia Stock Exchange, Inc. ("Phlx" or "Exchange"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b–4 thereunder,<sup>2</sup> filed with the Securities Exchange Commission ("Commission") two proposed rule changes—one to permit the listing of customized foreign currency options ("Customized FCOs") on the Italian lira ("Lira") and the other to list Customized FCOs on the Spanish peseta ("Peseta").<sup>3</sup> Notices of the proposals appeared in the Federal

<sup>3</sup>Customized FCOs provide investors with the ability, within specified limits, to trade FCOs with customized strike prices, cross-rate FCOs on any two approved currencies, and FCOs where the U.S. dollar is the underlying currency. In addition, FCO participants may express quotes for customized FCOs as a percentage of the underlying currency, in addition to quoting in terms of the base currency per unit of the underlying currency. *See* Securities Exchange Act Release No. 34925 (November 1, 1994), 59 FR 55720 (November 8, 1995) ("Exchange Act Release No. 34925"). Register on May 10, 1995.<sup>4</sup> No comment letters were received on either proposed rule change. The Exchange subsequently filed Amendment No. 1 to each of the proposals on August 21, 1995.<sup>5</sup> This order approves both of the Phlx proposals, as amended.

Currently the Phlx offers listed FCOs on the British pound, French franc, Swiss franc, Japanese yen, Canadian dollar, Australian dollar, German mark and European Currency Unit. Since November 1994, the Exchange has offered the ability to trade Customized FCOs on all of these currencies.<sup>6</sup> The Exchange now proposes to add the Lira and Peseta to the list of approved currencies on which Customized FCOs may be listed and traded pursuant to Exchange Rule 1069. Thus, there will be no continuously quoted series of Customized FCO contracts on either the Lira or Peseta.

Phlx Rule 1069(a)(1) provides that Customized FCOs may be traded on any approved underlying foreign currency pursuant to Exchange Rule 1009. Accordingly, the Exchange proposes to amend Rule 1009 to: (1) Add the Lira and Peseta to the list of approved underlying foreign currencies; and (2) specify that the Lira and Peseta are being added to the list of approved currencies solely for purposes of trading Customized FCOs pursuant to Exchange Rule 1069.7 Additionally, Rules 1014 and 1069 are being amended to provide that there will be no quote spread parameters for Customized FCOs involving either the Lira or the Peseta.8

<sup>5</sup> In Amendment No. 1 to each proposal, as discussed more fully herein, the Phlx: (1) increased the proposed margin levels for Customized FCOs on the proposed currencies; (2) proposed that crossrate Customized FCOs involving the Lira or Peseta be subject to these increased margin requirements; (3) amended Phlx Rule 1009 to state in the rule that Exchange-traded FCOs on the Lira and Peseta are limited to Customized FCOs; and (4) made certain clarifying non-substantive amendments (e.g., renumbering rule sections) that were necessary in order to incorporate the addition of both proposed currencies into the Exchange's rules. See Letter from Michele Weisbaum, Associate General Counsel and Assistant Vice President, Phlx, to Michael Walinskas, Branch Chief, Office of Market Supervision ("OMS"), Division of Market Regulation ("Division"), Commission, dated August 21, 1995 ("Amendment No. 1").

 $^{6}$  See Exchange Act Release No. 34925, supra note 3.

<sup>7</sup> See Amendment No. 1, *supra* note 5. The definitions of "foreign currency" and "unit of underlying foreign currency" in Rule 1000(a) are also being amended to add references to the Lira and the Peseta.

<sup>8</sup> Pursuant to Exchange Rule 1069(j)(1), quote spread parameters for customized strike FCOs on currently approved foreign currencies are twice Continued

<sup>&</sup>lt;sup>11</sup>Mini-manipulation is an attempt to influence, over a relatively small range, the price movement in a stock to benefit a previously established derivatives position.

<sup>&</sup>lt;sup>12</sup> Minor violations of the PHLX's position and exercise limit rules for equity and index options are subject to Options Floor Procedure Advice F–15, "Minor Infractions of Position/Exercise Limits and Hedge Exemptions." Other violations of the PHLX's position and exercise limits are subject to review by the Exchange's Business Conduct Committee in accordance with the PHLX's Disciplinary Rules (PHLX Rules 960.1 through 960.12).

<sup>&</sup>lt;sup>13</sup>15 U.S.C. 78s(b)(2) (1982).

<sup>14 17</sup> CFR 200.30-3(a)(12) (1994).

<sup>&</sup>lt;sup>1</sup>15 U.S.C. 78s(b)(1) (1988).

<sup>&</sup>lt;sup>2</sup>17 CFR 240.19b-4 (1994).

<sup>&</sup>lt;sup>4</sup> See Securities Exchange Act Release Nos. 35678 (May 4, 1995), 60 FR 24945 (notice of File No. SR– Phlx–95–20), and 35677 (May 4, 1995), 60 FR 24941 (notice of File No. SR–Phlx–95–21).