

clients. Accordingly, the Commission finds good cause to make these rules effective March 9, 2000, in accordance with 5 U.S.C. § 553(d)(3).

#### List of Subjects in 17 CFR Part 1

Brokers, Commodity futures, Consumer protection, Reporting and recordkeeping requirements.

In consideration of the foregoing, and pursuant to the authority contained in the Act and, in particular, Section 1a, 4b, 4g and 8a, 7 U.S.C. §§ 1a, 6b, 6g and 12a (1994), the Commission hereby amends 17 CFR Part 1 as follows:

### PART 1—GENERAL REGULATIONS UNDER THE COMMODITY EXCHANGE ACT

1. The authority citation for Part 1 continues to read as follows:

**Authority:** 7 U.S.C. 1a, 2, 2a, 4, 4a, 6, 6a, 6b, 6c, 6d, 6e, 6f, 6g, 6h, 6i, 6j, 6k, 6l, 6m, 6n, 6o, 6p, 7, 7a, 7b, 8, 9, 12, 12c, 13a, 13a-1, 16, 16a, 19, 21, 23, 24.

2. Section 1.3 is hereby amended by adding new paragraph (tt) to read as follows:

#### § 1.3 Definitions.

\* \* \* \* \*

(tt) *Electronic signature* means an electronic sound, symbol, or process attached to or logically associated with a record and executed or adopted by a person with the intent to sign the record.

3. Section 1.4 is hereby added immediately following § 1.3 to read as follows:

#### § 1.4 Use of electronic signatures.

For purposes of complying with any provision in the Commodity Exchange Act or the rules or regulations in this Chapter I that requires a document to be signed by a customer of a futures commission merchant or introducing broker, a pool participant or a client of a commodity trading advisor, an electronic signature executed by the customer, participant or client will be sufficient, if the futures commission merchant, introducing broker, commodity pool operator or commodity trading advisor elects generally to accept electronic signatures; *Provided, however,* That the electronic signature must comply with applicable Federal laws and other Commission rules; And, *Provided further,* That the futures commission merchant, introducing broker, commodity pool operator or commodity trading advisor must adopt and utilize reasonable safeguards regarding the use of electronic signatures, including at a minimum safeguards employed to prevent

alteration of the electronic record with which the electronic signature is associated, after such record has been electronically signed.

Issued in Washington D.C. March 3, 2000.

**Jean A. Webb,**

*Secretary of the Commission.*

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### SECURITIES AND EXCHANGE COMMISSION

#### 17 CFR Part 200

[Release No. 34-42488]

#### Delegation of Authority to the Office of the General Counsel

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Final rule.

**SUMMARY:** The Commission is amending its rules to delegate to the General Counsel its authority to initiate proceedings under Section 21(e)(1) of the Securities Exchange Act of 1934 to enforce Commission orders, including Commission orders affirming self-regulatory organization sanctions, when the General Counsel determines such a proceeding is appropriate. This delegation would spare the Commissioners and their staff from having to review matters in which the Commission has already issued an order and which are noncontroversial and implicate no policy issues. The effect would be to allow the staff to bring proceedings more expeditiously and to promote efficiency in the enforcement of Commission orders.

**EFFECTIVE DATE:** March 9, 2000.

**FOR FURTHER INFORMATION CONTACT:** Melinda Hardy, Assistant General Counsel, (202) 942-0877.

**SUPPLEMENTARY INFORMATION:** Section 21(e)(1) of the Securities Exchange Act of 1934 ("Exchange Act") authorizes the Commission to apply to the district courts of the United States for orders commanding any person to comply with orders issued pursuant to the Exchange Act. Thus, Section 21(e)(1) authorizes the Commission to seek court orders requiring, among other things, payment of unpaid self-regulatory organization sanctions where the Commission has entered an order affirming that sanction. *See Lang v. French*, 154 F.3d 217, 222 (5th Cir. 1998).

The Commission is delegating to the General Counsel the authority to determine when to initiate actions under Section 21(e)(1) to enforce Commission-affirmed SRO sanctions

and other sanctions because the decision to initiate such an action will rarely involve policy issues or be controversial. Actions under Section 21(e)(1) will necessarily follow a Commission order affirming or imposing a sanction, so Section 21(e)(1) actions will concern primarily the simple issue of whether a person has complied with the order. The staff may submit matters to the Commission for consideration as it deems appropriate.

The Commission finds, in accordance with the Administrative Procedure Act (5 U.S.C. 553(b)(3)(A)), that this revision relates solely to agency organization, procedures, or practices. It is therefore not subject to the provisions of the Administrative Procedure Act requiring notice and opportunity for comment. Accordingly, it is effective March 9, 2000.

#### List of Subjects in 17 CFR Part 200

Administrative practice and procedure, Authority delegations (Government agencies).

#### Text of Amendment

For the reasons set out in the Preamble, title 17, chapter II of the Code of Federal Regulations is amended as follows:

### PART 200—ORGANIZATION; CONDUCT AND ETHICS; AND INFORMATION AND REQUESTS

1. The authority citation for part 200, subpart A, continues to read in part as follows:

**Authority:** 15 U.S.C. 77s, 78d-1, 78d-2, 78w, 78ll(d), 78mm, 79t, 77sss, 80a-37, 80b-11, unless otherwise noted.

\* \* \* \* \*

2. Section 200.30-14 is amended by adding paragraph (l) to read as follows:

#### § 200.30-14 Delegation of authority to the General Counsel.

\* \* \* \* \*

(l) File applications in district court under Section 21(e)(1) of the Securities Exchange Act of 1934 (15 U.S.C. 78u(e)(1)) to obtain orders commanding persons to comply with Commission orders.

Dated: March 2, 2000.

By the Commission.

**Margaret H. McFarland,**

*Deputy Secretary.*

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