

# Rules and Regulations

Federal Register

Vol. 65, No. 49

Monday, March 13, 2000

This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

The Code of Federal Regulations is sold by the Superintendent of Documents. Prices of new books are listed in the first FEDERAL REGISTER issue of each week.

## SECURITIES AND EXCHANGE COMMISSION

### 17 CFR Parts 240 and 242

[Release No. 34-40760B; File No. S7-12-98]

RIN 3235-AH41

### Regulation of Exchanges and Alternative Trading Systems; Technical Amendments

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Technical amendments.

**SUMMARY:** The Securities and Exchange Commission ("Commission") today is making a technical change to Exchange Act Rules 17a-4(b)(1) and 301(b)(4). These and other rules and rule amendments that relate to the regulation of exchanges and alternative trading systems were published on December 22, 1998 (63 FR 70844).

**EFFECTIVE DATE:** March 7, 2000.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth King, Associate Director, at (202) 942-0140, Constance Kiggins, Special Counsel, at (202) 942-0059, and John Roeser, Attorney, at (202) 942-0762, Division of Market Regulation.

#### SUPPLEMENTARY INFORMATION:

#### Background

On December 8, 1998, the Commission adopted new rules and rule amendments regarding the regulation of exchanges and alternative trading systems.<sup>1</sup> The Commission also repealed Exchange Act Rule 17a-23 and amended the books and records rules by transferring the recordkeeping requirements from Rule 17a-23 to Rules 17a-3 and 17a-4, as those rules apply to broker-dealer internal trading

systems. The Commission amended Exchange Act Rule 17a-3 by adding paragraph (a)(16), which requires broker-dealers to make records regarding the activities of internal broker-dealer systems.<sup>2</sup> The Commission stated in the adopting release that the amendments to Exchange Act Rule 17a-4 would require that the records required under Rule 17a-3(a)(16) be preserved for three years, the first two years in an accessible place. This requirement, however, was not included in the amended rule language of Rule 17a-4. Consequently, the Commission is making a technical amendment to Rule 17a-4(b)(1) to include the records required under Rule 17a-3(a)(16).

In addition, Exchange Act Rule 301(b)(4) contains a typographical error that may prove misleading and requires clarification. Specifically, the first sentence of Rule 301(b)(4), prohibits an alternative trading system from charging fees to broker-dealers, that access the alternative trading system through a national securities exchange or national securities association, that are inconsistent with equivalent access, as "required by paragraph (b)(3)(iv)." The equivalent access requirement, however, is a paragraph (b)(3)(iii). The Commission is making a technical amendment to correctly refer to the equivalent access requirement in paragraph (b)(3)(iii).

#### List of Subjects

##### 17 CFR Part 240

Brokers-dealers, Fraud, Issuers, Reporting and recordkeeping requirements, Securities.

##### 17 CFR Part 242

Securities.

Accordingly, Title 17 CFR Part II is amended by making the following technical amendments:

### PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

1. The authority citation for Part 240 continues to read in part as follows:

**Authority:** 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77z-2, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78d, 78f, 78i, 78j, 78j-1, 78k, 78k-1, 78l, 78m, 78n, 78o, 78p, 78q, 78s, 78u-5, 78w, 78x, 78l(d), 78mm, 79q, 79t, 80a-20, 80a-23,

80a-29, 80a-37, 80b-3, 80b-4 and 80b-11, unless otherwise noted.

\* \* \* \* \*

2. § 240.17a-4 is amended by revising paragraph (b)(1) to read as follows:

#### § 240.17a-4 Records to be preserved by certain members, brokers and dealers.

\* \* \* \* \*

(b) \* \* \*

(1) All records required to be made pursuant to paragraphs (a)(4), (a)(6), (a)(7), (a)(8), (a)(9), (a)(10), and (a)(16) of § 240.17a-3.

\* \* \* \* \*

### PART 242—REGULATIONS M AND ATS

3. The authority citation for part 242 continues to read as follows:

**Authority:** 15 U.S.C. 77g, 77q(a), 77s(a), 78b, 78c, 78i(a), 78j, 78k-1(c), 78l, 78m, 78mm, 78n, 78o(b), 78o(c), 78o(g), 78q(a), 78q(b), 78q(h), 78w(a), 78dd-1, 80a-23, 80a-29, and 80a-37.

#### § 242.301 [Amended]

4. In § 242.301, the first sentence of paragraph (b)(4), the reference "(b)(3)(iv)" is revised to read "(b)(3)(iii)".

Dated: March 7, 2000.

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 00-5993 Filed 3-10-00; 8:45 am]

**BILLING CODE 8010-01-M**

## DEPARTMENT OF JUSTICE

### Drug Enforcement Administration

#### 21 CFR Parts 1301 and 1308

[DEA-200F]

#### Schedules of Controlled Substances: Addition of Gamma-Hydroxybutyric Acid to Schedule I

**AGENCY:** Drug Enforcement Administration, Department of Justice.  
**ACTION:** Final rule.

**SUMMARY:** This is a final rule issued by the Deputy Administrator of the Drug Enforcement Administration (DEA) placing gamma-hydroxybutyric acid (GHB) and its salts, isomers, and salts of isomers into Schedule I of the Controlled Substances Act (CSA) pursuant to Public Law 106-172. Public

<sup>1</sup> Securities Exchange Act Release No. 40760 (December 8, 1998), 63 FR 70844 (December 22, 1998).

<sup>2</sup> 17 CFR 240.17a-3(a)(16).