

management processes. GSCC intends to help ensure that: (i) Processing efficiencies will be attained through the utilization of standardized SWIFT message formats for input and output; (ii) participants' margin requirements will be reduced through cross-margining both their European Government securities activity and their combined United States and European activity;⁵ (iii) participants' balance sheets will be reduced and they will experience increased capital utilization through a maximization of the offsets available from repo and reverse repo activity; (iv) the RepoClear service will support global electronic trading systems which will allow for more efficient settlement of side-by-side cash and futures activities through coordinated mark-to-market and margining processes, standardized clearance and settlement practices, and optimized cross-margining of correlated positions.

II. Discussion

Section 17A(b)(3)(F)⁶ of the Act requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions and to foster cooperation and coordination with persons engaged in the clearance and settlement of securities transactions. For the reasons set forth below, the Commission believes that GSCC's proposed rule change is consistent with GSCC's obligations under the Act.

GSCC's participation in ESCC as a shareholder and a member of the board of directors should help to ensure that ESCC is able to provide both to United States organizations operating abroad, either directly or through their European affiliates, and to non-United States organizations a clearance and settlement system that provides for the prompt and accurate clearance and settlement of buys and sells and repo transactions involving European sovereign debt instruments. GSCC's participation in ESCC should also foster cooperation and coordination between itself, Euroclear, and LCH, all of which are major providers of clearance and settlement services.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rule change is consistent with the requirements of the Act and in

⁵ The proposed cross-margining arrangement will be the subject of a separate rule filing by GSCC in the future. GSCC, Euroclear, and LCH intend to work toward implementing the cross-margining arrangement by early 2001.

⁶ 15 U.S.C. 78q-1(b)(3)(F).

particular Section 17A of the Act and the rules and regulations thereunder.

It Is Therefore Ordered, pursuant to section 19(b)(2) of the Act, that the proposed rule change (File No. SR-GSCC-99-05) be and hereby is approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁷

Jonathan G. Katz,

Secretary.

[FR Doc. 00-11254 Filed 5-4-00; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42370; File No. SR-ISE-00-02]

Self-Regulatory Organizations; Order Granting Approval of Proposed Rule Change by the International Securities Exchange LLC Relating to Its Fee Schedule

April 28, 2000.

I. Introduction

On February 25, 2000, the International Securities Exchange LLC ("ISE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change to adopt a fee schedule.

The proposed rule change was published for comment in the **Federal Register** on March 6, 2000.³ No comments were received on the proposal. This order approves the proposal.

II. Description of the Proposal

ISE's proposed fee schedule itemizes fees for the services it will offer to its members and others. This schedule includes membership fees, trading fees, and fees for a variety of other services, including the installation and maintenance of certain equipment. ISE stated in its proposal that it intends to use revenues from these fees to recover its costs of operating a trading market and to build a reserve for future needs. ISE further stated that it does not intend to use these fees to generate an operating profit to distribute to its members, and will adjust its fees to maintain the appropriate balance

⁷ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Securities Exchange Act Release No. 42473 (February 29, 2000), 65 FR 11818.

between costs and expenses, as ISE gains experience in the operation of its market.

III. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of the Act and rules and regulations thereunder applicable to a national securities exchange,⁴ and in particular, with the requirements of section 6 of the Act.⁵ Specifically, the Commission finds that the proposal is consistent with section 6(b)(4) of the Act.⁶

Under section 6(b)(4),⁷ a registered national securities exchange must promulgate rules that provide for the equitable allocation of reasonable dues, fees and other charges among its members and other persons using its facilities. The Commission finds that ISE's fee schedule is not unreasonable and should not discriminate unfairly among market participants.

IV. Conclusion

It Is Therefore Ordered, pursuant to section 19(b)(2) of the Act,⁸ that the proposed rule change (SR-ISE-00-02) is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁹

Jonathan G. Katz,

Secretary.

[FR Doc. 00-11229 Filed 5-4-00; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42734; File No. SR-NASD-00-25]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by National Association of Securities Dealers, Inc. Relating to Extension of Time To Pass the Series 55 Examination, Equity Trader

April 28, 2000.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on April 27, 2000, the National Association of

⁴ In approving this rule, the Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁵ 15 U.S.C. 78f.

⁶ 15 U.S.C. 78f(b)(4).

⁷ *Id.*

⁸ 15 U.S.C. 78s(b)(2).

⁹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.