

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]

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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.

Securities Dealers, Inc. ("NASD" or "Association"), through its wholly-owned subsidiary, NASD Regulation, Inc. ("NASD Regulation") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by NASD Regulation. NASD Regulation has designated this proposal as one constituting a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule under section 19(b)(3)(A)(i) of the Act and Rule 19b-4(f)(1) thereunder, which renders the rule effective upon the Commission's receipt of this filing. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

NASD Regulation is proposing to amend NASD Rule 1032(f) to change the date by which certain registered representatives who trade equity securities in the Nasdaq Stock Market ("Nasdaq") and/or over-the-counter must pass the Series 55 Examination. The text of the proposed rule change is available at the offices of the NASD and at the Commission.

II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for the Proposed Rule Change

In its filing with the Commission, NASD Regulation included statements concerning the purpose of, and basis for, the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. NASD Regulation has prepared summaries, set forth in sections A, B, and C below, of the most significant aspects of such statements.

A. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

1. Purpose

On January 2, 1998, the SEC approved File No. SR-NASD-97-221, which proposed amending NASD Rule 1032 to add an additional category of representative registration.³ Specifically, Rule 1032(f) requires each registered representative who engages in proprietary or agency trades of equities,

preferred securities, or convertible debt securities otherwise than on a securities exchange, or who directly supervises such activities (*i.e.*, functioning as an "Equity Trader"), to register as a Limited Representative-Equity Trader. In order to register as a Limited Representative-Equity Trader, the representative must be registered as a General Securities Representative (Series 7) or as a Limited Representative-Corporate Securities (Series 62), and must pass the Series 55 Examination.⁴ The rule contains an exemption for representatives whose principal trading activities involve executing orders on behalf of an affiliated investment company that is registered with the SEC under the Investment Company Act of 1940.

Rule 1032 affords certain registered representatives a two-year grace period, ending on May 1, 2000, to pass the Series 55 Examination. NASD Regulation believed this would provide such representatives sufficient time to pass the examination. Unfortunately, this has not been the case. It has come to NASD Regulation's attention that many registered representatives who are eligible for the two-year grace period will not pass the Series 55 Examination by May 1, 2000. If the deadline is not extended, these registered persons will be forced to cease certain trading activities, which could cause disruptions at NASD member firms and could cause harm to customers. NASD Regulation does not believe the markets or customers will be served by a strict application of this deadline. Consequently, NASD Regulation is proposing to extend the grace period for passing the examination. NASD Regulation is proposing that registered representatives who were eligible for the two-year grace period, but who failed to pass the Series 55 Examination, be given until October 1, 2000 to pass the examination. However, such representatives will not be permitted to function as Equity Traders after October 1, 2000 unless they receive passing scores on the Series 55 Examination.

2. Statutory Basis

NASD Regulation believes that the proposed rule change is consistent with the provisions of section 15A(b)(6) of the Act,⁵ which requires, among other things, that the Association's rules must be designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of

trade, and, in general, to protect investors and the public interest. NASD Regulation believes that the failure to extend the deadline to pass the Series 55 Examination will cause disruptions at some NASD member firms and could cause harm to customers. NASD Regulation does not believe the markets or customers will be served by a strict application of this deadline.

B. Self-Regulatory Organization's Statement on Burden on Competition

NASD Regulation represents that it does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants, or Others

NASD Regulation has neither solicited nor received written comments on the proposed rule change.

III. Date of Effectiveness of the Proposed Rule Change And Timing for Commission Action

The proposed rule change is effective upon filing pursuant to section 19(b)(3)(A) of the Act⁶ and Rule 19b-4(f)(1)⁷ thereunder, in that the proposed rule change is a stated policy, practice, or interpretation with respect to the meaning, administration, or enforcement of an existing rule. At any time within 60 days of this filing, the Commission may summarily abrogate this proposal if it appears to the Commission that such action is necessary or appropriate in the public interest, for the protection of investors, or otherwise in furtherance of the purposes of the Act.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views, and arguments concerning the foregoing. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. 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

⁴ Representatives who have been "grandfathered" from taking the Series 7 or the Series 62 Examinations will not be required to take either examination in order to take the Series 55.

⁵ 17 CFR 240.15A(j)-1.

⁶ 15 U.S.C. 78s(b)(3)(A).

⁷ 17 CFR 240.19b-4(f)(1).

³ Securities Exchange Act Release No. 39516, 63 FR 1520 (January 9, 1998).

public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the NASD. All submissions should refer to File No. SR-NASD-00-25 and should be submitted by May 26, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁸

Jonathan G. Katz,
Secretary.

[FR Doc. 00-11255 Filed 5-04-00; 8:45 am]
BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42727; File No. SR-NYSE-00-09]

Self-Regulatory Organizations; Order Granting Accelerated Approval of Proposed Rule Change by the New York Stock Exchange, Inc. Amending Exchange Rule 123B

April 27, 2000.

I. Introduction

On February 28, 2000, the New York Stock Exchange, Inc. ("NYSE" 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 (the "Act"),¹ and Rule 19b-4 thereunder,² a proposed rule change to amend Exchange Rule 123B. The proposed rule change was published for comment in the **Federal Register** on March 31, 2000. The Commission has received no comments on the proposal. This order grants accelerated approval to the proposed rule change.

II. Description of the Proposal

The Exchange seeks permanent approval of a pilot program that two amendments to Exchange Rule 123B. The first amendment to Rule 123B provides for the commission-free execution of all orders received by Exchange specialists through the SuperDOT system if such orders are executed within five minutes. The Exchange instituted the pricing initiative of commission-free executions beginning with trades executed on December 29, 1999.

A second amendment added language to Rule 123B to clarify that if an order

that had been placed with the specialist is canceled and replaced, the replacement order is considered a new order for purposes of the Rule. Since the implementation of the pilot program, the Exchange is not aware of any problems associated with the program.

The Exchange is now proposing to make the pilot program with respect to commission-free executions and cancelled/replaced orders permanent.³ The Exchange believes that the pilot program is operating successfully and requests permanent approval of the proposed rule change.⁴

III. Discussion

The Commission finds that the proposed rule change relating to commission-free executions and cancelled/replaced orders is consistent with the requirements of the Act. In particular, the Commission finds the proposal is consistent with Section 6(b)(5)⁵ which requires, among other things, that the rules of an exchange be designed to promote just and equitable principles of trade, to remove impediments to and perfect the mechanism of a free and open market and a national market system and, in general, to protect investors and the public interest. The proposed rule change is also consistent with Section 11A(a)(1)(C)⁶ of the Act which states that it is in the public interest and appropriate for the protection of investors and the maintenance of fair and orderly markets to assure, among other things, economically efficient execution of securities transactions, and fair competition among brokers and dealers, among exchange markets, and between exchange markets and markets other than exchanges.

³ The Commission notes that it approved these two amendments to Exchange Rule 123B on a pilot basis on November 30, 1999. See Exchange Act Release No. 42184 (November 30, 1999), 64 FR 68710 (December 8, 1999), File No. SR-NYSE-99-40. A third amendment to Exchange Rule 123B relating to execution reports of stopped orders was also proposed and approved by the Commission. However, the Exchange decided not to implement this third amendment due to capacity and resource limitations. See letter from James E. Buck, Senior Vice President and Secretary, Exchange, to Richard Stasser, Assistant Director, Division of Market Regulation, Commission, dated February 25, 2000. In this proposed rule change, the Commission provided notice of the modified pilot program instituting only two out of the three amendments originally proposed in SR-NYSE-99-40.

⁴ On March 22, 2000, the Commission also approved on an accelerated basis the Exchange's request to extend the pilot program relating to commission-free executions and cancelled/replaced orders until April 26, 2000. See Exchange Act Release No. 42694 (April 17, 2000), 65 FR 24245 (April 25, 2000), File No. SR-NYSE-00-13.

⁵ 15 U.S.C. 78f(b)(5).

⁶ 15 U.S.C. 78k-1(a)(1)(C).

The proposed rule change eliminating commissions on orders received through the SuperDOT system that are executed within a timely fashion furthers the Exchange's ability to compete effectively for order flow from other marketplaces. Competition between and among markets drives market intermediaries to provide more efficient services which, in turn, promotes a free and open market and benefits investors and the public interest. Investors and the public interest may also benefit from the accompanying reduction in transaction costs.⁷

The Commission finds good cause for approving the proposed rule change prior to the thirtieth day after the date of publication of notice of filing in the **Federal Register**. In addition to the reasons noted above, the Exchange has stated that the program is operating without problems. Because the pilot approval expires on April 26, 2000, accelerated approval of this filing will permit the Exchange to continue its program for commission-free execution of orders received through SuperDOT permanently and without interruption, and will resolve the treatment of cancelled and replaced orders.

IV. Conclusion

It Is Therefore Ordered, pursuant to 19(b)(2) of the Act,⁸ that the proposed rule change (SR-NYSE-00-09) is approved.

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

Jonathan G. Katz,
Secretary.

[FR Doc. 00-11228 Filed 5-04-00; 8:45 am]
BILLING CODE 8010-01-M

DEPARTMENT OF STATE

[Public Notice Number 3280]

International Telecommunication Advisory Committee Radiocommunications (ITAC-R); Notice of Meeting

The International Telecommunications Advisory Committee—Radiocommunications provides policy and technical advice to the department on matters concerning radiocommunication in preparation for United States participation in international meetings and conferences.

⁷ In approving this rule change, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁸ 15 U.S.C. 78s(b)(2).

⁹ 17 CFR 200.30-3(a)(12).

⁸ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.