

addition to any actual transaction-based fees and applicable non-transaction-based fees, such as communication fees.

The new maintenance fee reflects the costs incurred by GSCC in maintaining additional accounts for members. Such costs include the administrative costs of opening additional accounts, the operational costs of maintaining the accounts, the continuous risk surveillance that is conducted on the accounts, and the reports necessary to be provided with respect to activity in the accounts. The imposition of the proposed fee is consistent with GSCC's policy of charging fees that fairly reflect the costs incurred by GSCC in providing services to its members.

(B) Additional Accounts Opened at the Direction of GSCC

Any additional account that is opened at the direction of GSCC will not be subject to a maintenance fee. Such account's transaction-based fees will be subject to a minimum monthly fee of \$1,000 per account.

GSCC believes that the proposed rule change is consistent with the requirements of the Act⁷ and the rules and regulations thereunder applicable to GSCC because it proposes changes to GSCC's fee structure that fairly reflect the costs incurred by GSCC in providing services to its members.

(B) Self-Regulatory Organization's Statement on Burden on Competition

GSCC does not believe that the proposed rule change will have any impact or impose any burden on competition.

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

Written comments relating to the proposed rule change have not yet been solicited or received. Members will be notified of the rule change filing and comments will be solicited by an Important Notice. GSCC will notify the Commission of any written comments received by GSCC.

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

The foregoing rule change has become effective pursuant to Section 19(b)(3)(A)(ii)⁸ of the Act and Rule 19b-4(f)(2)⁹ promulgated thereunder because the proposal establishes or changes a due, fee, or other charge

imposed by GSCC. At any time within sixty days of the filing of such proposed rule change, the Commission may summarily abrogate such rule change 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, including whether the proposed rule change is consistent with the Act. 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 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 Section, 450 Fifth Street, NW., Washington, DC 20549. Copies of such filing also will be available for inspection and copying at the principal office of GSCC. All submissions should refer to File No. SR-GSCC-00-07 and should be submitted by August 8, 2000.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.¹⁰

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-18088 Filed 7-17-00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43027; File No. SR-NYSE-00-27]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change and Amendment No. 1 by the New York Stock Exchange, Inc. Amending Global Market Capitalization Listing Standards

July 12, 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 June 14, 2000, the New York Stock Exchange, Inc. ("NYSE" or "Exchange") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change as described in Items I and II, below, which Items have been prepared by the Exchange. On July 3, 2000, the NYSE submitted an amendment to the proposed rule filing ("Amendment No. 1").³ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons and to grant accelerated approval to the proposed rule change and Amendment No. 1.

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

The Exchange proposes to amend its global market capitalization original listing standard to reduce the minimum revenue requirements from \$250 million to \$100 million. The NYSE further proposes to amend the related continued listing standard to reduce the minimum total revenue requirement from \$50 million to \$20 million. These changes would amend Sections 102, 103, and 802 of the NYSE's Listed Company Manual and a corresponding amendment would be made to NYSE Rule 499. The text of the proposed rule change is as follows. Proposed additions are *italicized* and proposed deletions are in brackets.

NYSE Listed Company Manual

* * * * *

Section: 102.1—Minimum Numerical Standards—Domestic Companies—Equity Listings.

* * * * *

102.01C—A company must meet one of the following financial standards:

* * * * *

(II) For companies with not less than \$1 billion in total worldwide market capitalization and with not less than [250] \$100 million in revenues in the most recent fiscal year, there are no additional financial requirements.

* * * * *

Section: 103.01—Minimum Numerical Standards Non-US Companies Equity Listings Distribution.

* * * * *

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See letter from Daniel P. Odell, Assistant Secretary, NYSE to Nancy Sanow, Assistant Director, Division of Market Regulation, Commission, dated June 29, 2000 ("Amendment No. 1"). In Amendment No. 1, the NYSE requests accelerated approval to accommodate the timetable of certain issuers wishing to list on the NYSE.

⁷ 15 U.S.C. 78q-1.

⁸ 15 U.S.C. 78s(b)(3)(A)(ii).

⁹ 17 CFR 240.19b-4(f)(2)

¹⁰ 17 CFR 200.30-3(a)(12)

103.01B—A company must meet one of the following financial standards:

* * * * *

(III) For companies with not less than \$1 billion in total worldwide market capitalization and with not less than [\$250] \$100 million in revenues in the most recent fiscal year, there are no additional financial requirements.

* * * * *

Section: 8

Section 802.01—Continued Listing Criteria.

* * * * *

802.01B Numerical Criteria for Capital or Common Stock. If a company falls below any of the following criteria, it is subject to the procedures outlined in Para. 802.02 and 802.03:

* * * * *

- For companies that qualify under the “global market capitalization” standard:

Total global market capitalization is less than \$500,000,000 and total revenues are less than [\$50,000,000] \$20,000,000 over the last 12 months (unless the resultant entity qualifies as an original listing under one of the other standards)(C)

or

Average global market capitalization over a consecutive 30 trading-day period is less than \$100,000,000.

NYSE Rules

Rule 499—Supplementary Material

* * * * *

.20 Numerical and Other Criteria.

* * * * *

6. For companies that qualify under the “global market capitalization” standard:

- Total global market capitalization is less than \$500,000,000 and total revenues are less than [\$50,000,000] \$20,000,000 over the last 12 months.

* * * * *

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

In its filing with the Commission, the NYSE 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 III below. The NYSE 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

Last year, the NYSE implemented a new stand-alone listing criterion for extremely large companies, both domestic and non-U.S., with \$1 billion in total global market capitalization and revenues in their most recent fiscal year of \$250 million.⁴ The Exchange did so in the belief that companies of such size were appropriate for listing and trading on the Exchange, regardless of any short-term variations in profitability. The Exchange also believed that its then-current numerical criteria placed too much emphasis on a company's earnings to the exclusion of other relevant factors.

Currently, the NYSE believes that the new criteria has worked well and has permitted the Exchange to qualify and list companies that otherwise would not have qualified under the traditional criteria. However, after a year's experience under the new standard, the Exchange's analysis of the universe of companies considered suitable for Exchange listing suggests that the Exchange was too conservative in its initial approach, and that a criterion of \$1 billion in total global market capitalization and a reduction in the requirement for \$250 million to \$100 million in revenues in the most recent fiscal year would be more appropriate. The NYSE believes that such a standard would better enable it to offer listing to companies of suitable size and scope, even though their business model differs from the traditional.

In connection with the new original listing criterion implemented last year, the Exchange also constructed new continued listing criteria applicable specifically to companies listed under the global market capitalization standard.⁵ Such companies are currently considered below standards if their global market capitalization falls below \$500 million and total revenues are below \$50 million over the previous twelve months. Of course, if the company can qualify under one of the other original listing criteria, it is not considered below standards. Alternatively, companies that listed under the global market capitalization standard are considered below standards if their average global market capitalization is below \$100 million

⁴ See Securities Exchange Act Release No. 41834 (September 3, 1999), 64 FR 50129 (September 15, 1999).

⁵ *Id.*

over 30 consecutive trading days. In connection with amending the original listing criterion as discussed above, the Exchange proposes to proportionately reduce the minimum revenue requirement from \$50 million to \$20 million. The \$500 million and \$100 million market capitalization minimums would remain unchanged.

2. Statutory Basis

The Exchange believes that the basis under the Act for this proposed rule change is the requirement under Section 6(b)(5)⁶ that an Exchange have rules that are designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of trade, to foster cooperation and coordination with persons engaged in regulating, clearing, settling, processing information with respect to, and facilitating transactions in securities, 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.

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

The Exchange does not believe that the proposed rule change will impose any burden on competition that is not necessary or appropriate in furtherance of the purposes of the act.

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

The Exchange has neither solicited nor received any written comments on the proposal.

III. Solicitation of Comments

Interested person are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposed rule change, as amended, is consistent with the Act. 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 public in accordance with the provisions of 5 U.S.C. 552, will be

⁶ 15 U.S.C. 78f(b)(5).

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 NYSE. All submissions should refer to File No. SR-NYSE-00-27 and should be submitted by August 8, 2000.

IV. Commission's Findings and Order Granting Accelerated Approval of Proposed Rule Change

The Commission finds, for the reasons set forth below, that the NYSE's proposal is consistent with the requirements of the Act and the rules and regulations thereunder.⁷ Specifically, the Commission finds that the proposal is consistent with Section 6(b)(5) of the Act.⁸ Section 6(b)(5) of the Act requires that the rules of the exchange are designed to prevent fraudulent and manipulative acts and practices, 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 Commission believes that the proposal is consistent with the Act because the NYSE's alternative financial listing standards with \$1 billion in market capitalization and \$100 million in revenues, reduced from \$250 million, in the most recent fiscal year, should still allow the Exchange to list companies that the Exchange believes will prove to be financially successful in the future, although recently they may not have been as profitable. The Commission believes that the reduction in the continued listing standard from \$50 million in revenues in the last fiscal year to \$20 million is not inconsistent with the Act for the same reason. The Commission also believes that, by providing issuers another alternative forum for their securities in the U.S. marketplace, the proposed rule change is consistent with the requirements of the Act to remove impediments to and perfect the mechanism of a free and open market.

In addition, the Commission finds good cause for approving the proposed rule change, as amended, prior to the 30th day after the date of publication of notice in the **Federal Register**. The Exchange represents that certain issuers are eager to list on the Exchange under the proposed standards. To ensure that such issuers are permitted to list on the

Exchange in a timely basis, the Commission approves the proposed rule change, as amended, on an accelerated basis, pursuant to Sections 6(b)(5) and 19(b)(2) of the Act.⁹

It Is Therefore Ordered, pursuant to Section 19(b)(2) of the Act,¹⁰ that the proposed rule change and Amendment No. 1 (SR-NYSE-00-27) are approved on an accelerated basis.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹¹

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-18089 Filed 7-17-00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-43020; File No. SR-PCX-00-14]

Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the Pacific Exchange, Inc., Modifying PCX Transaction and On-Line Comparison Fees and Establishing a Credit for Book Executions

July 10, 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 Pacific Exchange, Inc. ("PCX" or "Exchange") 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 the Exchange. 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

The Exchange proposes to modify its transaction and on-line comparison fees and establish a credit for book executions. The Exchange also proposes to clarify its treatment of the portion of the market maker transaction charge that is collected for Options Industry Conference ("OIC") activities.

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

In its filing with the Commission, the Exchange 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. The Exchange 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, the Statutory Basis for, the Proposed Rule Change

1. Purpose

The Exchange proposes to reduce the transaction fee for customer trades that are executed manually and to eliminate the fee for customer trades that are executed electronically. The Exchange is also proposing to eliminate the on-line comparison charge for customer trades and to establish a credit for book executions. Moreover, the Exchange is proposing to raise the market maker transaction fee and implement a floor brokerage charge. Finally, the Exchange also proposes to clarify its treatment of the portion of the current market maker transaction charge (\$0.01 per contract) collected for OIC activities.

Currently, the PCX Schedule of Rates and Charges provides for a customer transaction charge of \$0.12 per contract side for all transactions except Pacific Options Exchange Trading System ("POETS") automated executions, and a market maker transaction charge of \$0.185 per contract side. In addition, the PCX charges an on-line comparison charge of \$0.05 per contract for customers, firms, and market makers.

The Exchange proposes to reduce customer transaction fees from \$0.12 to \$0.09 per contract side for manual (non-hand held) executions and to eliminate customer transaction charges for all other forms of electronic executions including book executions, cabinet trades, automated opening rotation and broker hand-held executions. The PCX also proposes to establish a \$0.10 per contract credit for customer book executions.³ The Exchange further

⁹ See 15 U.S.C. 78f(b)(5); 15 U.S.C. 78s(b)(2).

¹⁰ 15 U.S.C. 78s(b)(2).

¹¹ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Customers will receive a \$0.10 credit per book execution that will be applied to each customer's total monthly Exchange fees. Customers will not receive a cash payment for unused portions of the credit and any unused portion will not carry forward to the next billing month. The credit will

⁷ The Commission has considered its impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁸ 15 U.S.C. 78f(b)(5).