

during that day. This computation requires maintenance of "time and tick" records to document the sequence in which each day trade was completed.

Further, under the amended Rule, the time frame for meeting day trading special maintenance margin calls will be reduced from seven business days to five business days. If the special maintenance margin call is not met within five business days from the date the special margin deficiency occurred, pattern day traders will be restricted to day trading on a cash available basis only for 90 days, or until the special call for additional funds is met. Member organizations will incur a one time capital charge for the amount of any unmet deficiency on the sixth business day.

Currently, NYSE Rule 431 requires \$2,000 minimum equity for a customer to open a margin account. The Exchange is proposing to require that a pattern day trader's account maintain a minimum equity of \$25,000 at all times. In the event that a pattern day trader's account falls below the required minimum equity, no further day trades will be permitted until the requisite equity level is maintained. In addition, member organizations that have advance knowledge or reason to believe that a new account will pattern day trade must require the customer to deposit \$25,000 minimum equity into the account prior to the commencement of day trading activity.

The proposal will also restrict pattern day traders from trading in excess of their day trading buying power. If the day trading buying power is exceeded, and this results in a special maintenance margin deficiency, the following actions must be taken by member organizations: (i) the account will be margined based on the total cost of all day trade purchases for that day; and (ii) the customer's day trading buying power will be reduced by the maintenance margin amount required.

To provide greater financial stability to such accounts, the proposal requires that a day trading customer deposit into the day trading account a sufficient amount of money to meet minimum equity and maintenance margin requirements. Such deposits will not be allowed to be withdrawn for at least two business days.

In addition, pattern day traders will be prohibited from utilizing "cross guarantees" otherwise permitted in margin accounts. These prohibitions are intended to address instances where margin calls in day trading accounts are met by cross-guarantees within different customer accounts at the same broker-dealer. The net effect of these

prohibitions is to require that each pattern day trading account meets its requirements independently by utilizing funds actually on deposit in the account.

2. Statutory Basis

The Exchange believes the proposed rule change is consistent with the requirements of Section 6(5)(b) of the Act,⁴ which requires that the rules of the Exchange be designed to promote just and equitable principles of trade and to protect the investing public.

The Exchange believes that the proposed rule change is also consistent with Section 7(a) of the Act⁵ and with the rules and regulations of the Board of Governors of the Federal Reserve System, because it prevents the excessive use of credit for the purchase or carrying of securities.

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

The Exchange believes that the proposed rule change will not 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 written comments on the proposed rule change.

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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding, or (ii) as to which the Exchange consents, the Commission will:

A. by order approve the proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be disapproved.

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, N.W., Washington, D.C. 20549-0609. Copies of the submissions, 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 persons, 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 at the Commission's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. 20549. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-NYSE-99-47 and should be submitted by February 15, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁶

Margaret H. McFarland,

Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42350; International Series Release No. 1211; File No. SR-NYSE-00-01]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the New York Stock Exchange, Inc. Relating to Continuing Annual Listing Fees for Canadian Companies

January 19, 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 January 4, 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, 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.

⁶ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

⁴ 15 U.S.C. 78f(b)(5).

⁵ 15 U.S.C. 78g.

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

The Exchange proposes to amend its customs and practices for calculating continuing annual listing fees for Canadian companies.

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, and Statutory Basis for, the Proposed Rule Change

1. Purpose

It has been the custom and practice of the Exchange to calculate the continuing annual fee for Canadian companies listed before September 8, 1989 on the basis of total worldwide shares, with a 50% discount for companies with more than half of their operations outside the United States. The continuing annual fee for Canadian companies listed after September 8, 1989 and all other non-U.S. companies has been calculated based on shares issued in the U.S. The proposed change will calculate continuing annual fees for all Canadian companies based on shares issued in the U.S., thereby conforming the continuing annual fee for Canadian companies listed before September 8, 1989, to the standard applied to all other non-U.S. companies.

2. Statutory Basis

The Exchange believes the basis under the Act for the proposed rule change is the requirement under Section 6(b)(4)³ that an Exchange have rules that provide for the equitable allocation of reasonable dues, fees and other charges among its members and issuers and other persons using its facilities.

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

No written comments were solicited or received with respect to the proposed rule change.

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

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

A. by order approve the proposed rule change, or

B. institute proceedings to determine whether the proposed rule change should be disapproved.⁴

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 at the Commission's Public Reference Room. Copies of such filing will also be available for inspection and copying at the principal office of the Exchange. All submissions should refer to File No. SR-NYSE-00-01 and should be submitted by February 15, 2000.

⁴ The Exchange requested accelerated approval in its filing with the Commission. However, the Exchange retracted its request in a telephone conversation between Amy Bilbija, Counsel, NYSE, and Terri Evans, Special Counsel, and Heather Traeger, Attorney, Division of Market Regulation, SEC, on January 11, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,
Deputy Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42349; File No. SR-PCX-99-37]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change by the Pacific Exchange, Inc. Authorizing the PCX ITS Coordinator to Accept Inbound Commitments on Behalf of Other PCX Specialists

January 19, 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 October 5, 1999, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("Commission" or "SEC") the proposed rule change as described in Items I, II, and III below, which Items have been prepared by the Exchange. PCX submitted an amendment on November 2, 1999 ("Amendment No. 1"),³ and an amendment on December 7, 1999 ("Amendment No. 2").⁴ 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 PCX is proposing to adopt a new rule to allow the ITS Coordinator⁵ in a given equity issue to accept ITS

⁵ 17 CFR 200.30-3(a)(12).

¹ 5 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ See Letter from Michael Pierson, Director, Regulatory Policy, PCX, to Marla Chidsey, Law Clerk, Division of Market Regulation, Commission, dated November 1, 1999. Amendment No. 1 clarifies whether the ITS coordinator must still confirm with other PCX specialists, executions made on behalf of those other PCX specialists, before executions occur.

⁴ See Letter from Michael Pierson, Director, Regulatory Policy, PCX, to Marla Chidsey, Law Clerk, Division of Market Regulation, Commission, dated December 6, 1999. Amendment No. 2 adds Rule 5.20(a)(xi) defining the term "PCX Coordinating Specialist" as the specialist responsible for coordinating the acceptance of inbound ITS commitments.

⁵ The Commission would like to clarify that the term "ITS Coordinator" is used interchangeably with the term "PCX Coordinating Specialist" as defined in new Rule 5.20(a)(xi).

³ 15 U.S.C. 78f(b)(4).