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 Room. Copies of such filing will also be available for inspection and copying at the principal office of CBOE. All submissions should refer to File Number SR–CBOE–99–57 and should be submitted by December 21, 1999.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[12]

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 99–31028 Filed 11–29–99; 8:45 am]

BILLING CODE 8010–01–M

[12] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–42163; File No. SR–NYSE–98–33]

Self-Regulatory Organizations; Order Approving Proposed Rule Change and Notice of Filing and Order Granting Accelerated Approval of Amendment No. 1 to the Proposed Rule Change to Amend NYSE Rule 64

November 19, 1999.

I. Introduction

On October 16, 1998, the New York Stock Exchange, Inc. (''NYSE'' or ''Exchange'') filed with the Securities and Exchange Commission (''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 amend NYSE Rule 64. The proposed rule change was published for comment in the **Federal Register** on November 12, 1998.[3] On November 1, 1999, the Exchange filed Amendment No. 1.[4] The Commission received no comments on the proposal. This notice and order approves the proposed rule change, as amended, and solicits comments from interested persons on Amendment No. 1.

II. Description of Proposal

Currently, NYSE Rule 64 requires Floor Official approval for all ''non-regular way'' [5] trades during all but the final calendar week of the year. During the last calendar week of the year such approval is required only for sales more than 4⁄16 point away from the regular way bid or offer. The Exchange proposes to amend the rule to eliminate the requirement of Floor Official approval for certain non-regular way trades that do not occur during the final calendar week of the year. Under the proposed rule change, Floor Official approval would be required only for those non-regular way trades that are more than 2⁄16 point away from the regular way bid or offer throughout the year, but not during the final calendar week of the year.[6] The proposal does not change the existing requirement for Floor Official approval for non-regular way trades that are more than 4⁄16 point away from the regular way bid or offer during the last calendar week of the year.[7] Under the proposed rule change, Floor Officials will still be required to ''take into consideration whether the price of the transaction is reasonable in relation to the 'regular way' market'' when deciding whether to grant approval for a non-regular way trade.

Exchange staff and analyzed price changes from the current bid or offer for non-regular way trades during June 1998.[8] The Exchange's analysis showed that approximately 80% of non-regular way trades occurred at 2⁄16 point or less away from the regular way bid or offer. The Exchange believes that the proposed rule change would relieve members of the burden of obtaining Floor Official approval for routine non-regular way trades at small price variations, while preserving Floor Official supervision for those instances were it is most needed.

III. Discussion

The Commission finds that the proposed rule change is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange, and, in particular, with the requirements of Section 6(b)(5) of the Act.[9] Section 6(b)(5) [10] requires, among other things, that an exchange have rules which are designed to promote just and equitable principles of trade, to facilitate transactions in securities, to remove impediments to and perfect the mechanism of a free and open market, and, in general, to protect investors and the public interest.

The Commission believes that the proposed rule change should help to alleviate the administrative burden for Floor Officials and members with regard to non-regular way trades, which should in turn permit the reallocation of valuable resources, and thereby increase operational efficiency for Floor Officials and members. As mentioned above, the Exchange's analysis of non-regular way trades indicates that this proposal should substantially reduce the number of Floor Official approvals required for such trades.[11] The Commission believes that by requiring Floor Official approval for non-regular way trades that are more than 2⁄16 point away from the regular way bid or offer throughout the year, but not during the final calendar week of the year, the proposal should facilitate transactions in securities and help to remove impediments to and perfect the mechanism of a free and open market. The Commission notes, however, that the approval of the elimination of the requirement for Floor Official approval for non-regular way trades with a 2⁄16 point, or less, deviation from the regular way bid or offer does not relieve brokers of their best execution duty. The Commission further notes that Floor Officials, as per NYSE guidelines, will still be required to consider whether the price of the transaction is reasonable in relation to the regular way market when deciding whether to grant approval for

[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] Securities Exchange Act Release No. 40631 (November 3, 1998), 63 FR 63347 (November 12, 1998).

[4] *See* Letter from James E. Buck, Senior Vice President and Secretary, NYSE, to Richard Strasser, Assistant Director, Division of Market Regulation, Commission, dated October 29, 1999 (''Amendment No. 1''). Amendment No. 1 changes the proposal to require Floor Official approval for non-regular way trades throughout the year, but not during the last calendar week of the year, to 2⁄16 point away from the regular way bid or offer from 4⁄16 point away. Initially, the proposed rule change would have extended the existing requirement of NYSE Rule 64 for Floor Official approval for end-of-the-year non-regular way trades to the entire year. In other words, Floor Official approval would have been required for non-regular way trades that were more than 4⁄16 point away from the regular way bid or offer throughout the year.

[5] A ''non-regular way'' trade is a trade that is settled in a different time frame from ''regular-way'' trades, which settle on the third business day following the transaction. *See* NYSE Rule 64(a)(3).

[6] *See* note 4, *above.*

[7] *Id.*

[8] *See* NYSE Analysis of Non-Regular Way Trades for June 1998.

[9] 15 U.S.C. 78f(b)(5).

[10] *Id.*

[11] *See* note 8, *above.*

a non-regular way trade when such approval is required.

The Commission finds good cause to approve Amendment No. 1 to the proposed rule change prior to the thirtieth day after the date of publication of notice of filing of the amendment in the **Federal Register.** Specifically, Amendment No. 1 changes the proposal to require Floor Official approval for non-regular way trades throughout the year, but not during the last calendar week of the year, from 4⁄16 point away from the regular way bid or offer to 2⁄16 point away. Initially, the proposed rule change would have extended the existing requirement of NYSE Rules 64 for Floor Official approval for end-of-the-year non-regular way trades to the entire year. In other words, Floor Official approval would have been required for non-regular way trades that were more than 4⁄16 point away from the regular way bid or offer throughout the year. The Commission finds that reducing the deviation from the regular way bid or offer that would require Floor official approval for a non-regular way trade is consistent with Section 6(b)(5) of the Act.[12] The Exchange's analysis of non-regular way trades indicated that approximately 97% of such trades occur at a 4⁄16 point or less deviation from the regular way market, while approximately 80% of such trades occur at a 2⁄16 point or less deviation from the regular way market. Therefore, the Commission believes that Amendment No. 1 helps to achieve the Exchange's goal of alleviating a substantial administrative burden for Floor Officials and members while preserving the investor protection provided by Floor Official review of non-regular way trades that occur at 2⁄16 point or more away from the regular way market throughout the year, but not during the final calendar week of the year. Accordingly, the Commission believes that there is good cause, consistent with Sections 6(b)(5) and 19(b) of the Act,[13] to approve Amendment No. 1 to the proposal on an accelerated basis.

IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning Amendments No. 1, including whether Amendment No. 1 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 NYSE. All submissions should refer to File No. SR–NYSE–98–33 and should be submitted by December 21, 1999.

V. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[14] that the proposed rule change (SR–NYSE–98–33), as amended, is approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.[15]

Margaret H. McFarland,

Deptuy Secretary.

[FR Doc. 99–30979 Filed 11–29–99; 8:45 am]

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[12] 15 U.S.C. 78f(b)(5).

[13] 15 U.S.C. 78f(b)(5) and 78s(b).

[14] 15 U.S.C. 78s(b)(2).

[15] 17 CFR 200.30–3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34–42162; File No. SR–NYSE–99–32]

Self-Regulatory Organizations; Order Approving Proposed Rule Change by the New York Stock Exchange, Inc. To Amend Exchange Rule 22(b)

November 19, 1999.

I. Introduction

On July 9, 1999, the New York Stock Exchange, Inc. (''NYSE'' or ''Exchange'') submitted to the Securities and Exchange Commission (''Commission''), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 (''Act'')[1] and Rule 19b–4[2] thereunder, a proposed rule change. In its proposal, the NYSE seeks to codify an interpretation of a section of its Disqualification Because of Personal Interest Rule.[3] The proposed rule change was published for comment in the **Federal Register** on September 21, 1999.[4] The Commission received no comments on the proposal. This order approves the proposal.

II. Description of the Proposal

The NYSE seeks to codify an interpretation of Exchange Rule 22(b), which addresses circumstances under which Board and committee members and other persons are obliged to disqualify themselves from participating in matters in which they have a personal interest. Exchange Rule 22(b) currently states that no person(s) shall participate in the ''adjudication'' of any matter in which they are personally interested. The proposed amendment to this rule would bar person(s) from participating in the ''consideration, review or adjudication'' of any matter in which they are personally interested.

III. Discussion

After careful review, the Commission finds that the proposed rule change is consistent with the requirements of the Act.[5] In particular, the Commission finds the proposal is consistent with Section 6(b)(5)[6] of the Act. Section 6(b)(5) requires, among other things, that the rules of an exchange be designed to promote just and equitable principles of trade and to protect investors and the public interest.

The Commission finds that the proposed rule change is consistent with the Act in that the change promotes fairness and impartiality in the operation and oversight of the NYSE. The proposal codifies an interpretation of Exchange Rule 22(b). This rule prevents persons with conflicts of interests from participating in matters in which they have a personal interest. The Commission believes the amendment clarifies those situations in which a person with a conflict of interest should disqualify himself.

IV. Conclusion

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,[7] that the proposed rule change (SR–NYSE–99–32) is approved.

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

Margaret H. McFarland,

Deputy Secretary.

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[1] 15 U.S.C. 78s(b)(1).

[2] 17 CFR 240.19b–4.

[3] *See* Exchange Rule 22(b).

[4] *See* Securities Exchange Act Release No. 41871 (September 13, 1999), 64 FR 51170.

[5] In addition, pursuant to Section 3(f) of the Act, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

[6] 15 U.S.C. 78f(b)(5).

[7] 15 U.S.C. 78s(b)(2).

[8] 17 CFR 200.30–3(a)(12).