

two-tier fine system for violations of the Floor Decorum Policy. The Exchange believes that certain floor decorum violations should be treated as more serious than others, with stiffer fines imposed for those violations. The Amex proposes that the following violations be subject to a fine of \$1,000 for a first offense, \$1,500 for a second offense, and \$2,000 for any subsequent offense within a rolling 12-month period:

- Fighting involving any form of physical altercation (Paragraph 1 of the Floor Decorum Policy, Respectful Conduct); and
- Vandalism of property (Paragraph 9 of the Floor Decorum Policy, Vandalism of Property).

The maximum fine of \$2,000 for a third or subsequent offense may be imposed for a first or second offense if warranted by circumstances. A lesser fine of \$500 may also be imposed for a first offense, if circumstances warrant. Moreover, in addition to any fine imposed for vandalism of property, the Exchange may recover from a member or member firm any cost incurred by the Exchange as a result of such vandalism.⁵

Finally, it is proposed that, in addition to Floor Governors and Exchange Officials, Floor Officials will be allowed to levy fines for violation of the Floor Decorum Policy. This proposed change would appreciably expand the number of persons on the Floor available to enforce the Policy.

2. Statutory Basis

The proposed rule change is consistent with Section 6(b) of the Act in general and furthers the objectives of Section 6(b)(6)⁶ in particular in that it is intended to assure that the rules of the Exchange provide that its members and persons associated with its members shall be appropriately disciplined for violation of the provisions of the Act, the rules or regulations thereunder, or the rules of the Exchange.

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

The Amex believes that the proposed rule change will not impose any burden on competition.

⁵ The fines imposed for all other violations of the Exchange's Floor Decorum Policy, other than those more serious violations described above, will remain unchanged by the proposed rule change, ranging from \$100 for a first offense to \$500 for a third or subsequent offense within a rolling 12-month period.

⁶ 15 U.S.C. 78f(b)(6).

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

Written comments were neither solicited nor received with respect to the proposed rule change.

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

Because the foregoing proposed rule change does not:

- (i) Significantly affect the protection of investors or the public interest;
- (ii) Impose any significant burden on competition; and
- (iii) Become operative for 30 days from the date on which it was filed, or such shorter time as the Commission may designate, and since the Amex has given the Commission written notice of its intent to file the proposed rule change, along with a brief description and text of the proposed rule change, at least five business days prior to the date of filing of the proposed rule change, it has become effective pursuant to Section 19(b)(3)(A) of the Act⁷ and Rule 19b-4(f)(6) thereunder.⁸ At any time within 60 days of the filing of the 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.⁹

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 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

⁷ 15 U.S.C. 78s(b)(3)(A).

⁸ 17 CFR 240.19b-4(f)(6).

⁹ In reviewing this proposal, the Commission has considered the proposal's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

the Commission's Public Reference Room, 450 Fifth Street, N.W., Washington, D.C. Copies of such filing will also be available for inspection and copying at the principal office of the Amex. All submissions should refer to the file number in the caption above and should be submitted by March 9, 2000.

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

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 00-3813 Filed 2-16-00; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42404; File No. SR-CHX-99-32]

Self-Regulatory Organizations; Notice of Filing and Order Granting Accelerated Approval of Proposed Rule Change by the Chicago Stock Exchange, Inc. Relating to Amendments to the Exchange's Continuing Education Requirements

February 7, 2000.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),¹ and Rule 19b-4 thereunder,² notice hereby is given that on January 3, 2000, the Chicago Stock Exchange, Inc. ("CHX" or "Exchange") filed with the Securities and Exchange Commission (the "Commission") the proposed rule change as described in Items I and II below, which Items have been prepared by the self-regulatory organization ("SRO"). 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 amend its continuing education requirements under CHX Article VI, Rule 9 to conform to recommendations made by the Securities Industry/Regulatory Council on Continuing Education. The text of the proposed rule change is available upon request from the Commission's Public Reference Room or the CHX.

¹⁰ 17 CFR 200.30-3(a)(12).

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

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 self-regulatory organization included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received regarding the proposed rule change. The text of these statements may be examined at the places specified in Item III below. The self-regulatory organization 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

Based on recommendations made by the Securities Industry/Regulatory Council on Continuing Education and rule changes adopted by other SROs based on these recommendations,³ the CHX proposes to amend its continuing education requirements for registered persons. Exchange Article VI, Rule 9 governs the CHX's continuing education requirements for registered persons. For purposes of the rule, the term "registered persons" is defined as any member, registered representative or other person required to be registered under Exchange rules other than any such person whose activities are limited solely to the transaction of business on the floor of the Exchange with members or registered broker-dealers.

The continuing education program consists of two parts, a Regulatory Element and a Firm Element. The Regulatory Element requires registered persons to participate in interactive computer based training at specified intervals and encompasses regulatory and compliance issues, sales practice concerns and business ethics. The Firm Element requires that each member and member organization conduct annually an analysis of their training needs and administer such training on an ongoing

basis to their registered persons who have direct contact with customers.

The Exchange now proposes to modify Article VI, Rule 9 to conform to the changes made by the other industry participants. Currently, Rule 9 requires all registered persons to complete the Regulatory Element training on three occasions: their second, fifth and tenth registration anniversaries (and also when they are the subject of significant disciplinary action). Once persons are registered for more than ten years, they are graduated from the Regulatory Element program.

The proposed rule change would require participation in the Regulatory Element throughout a registered person's career, specifically, on the second registration anniversary and every three years thereafter, with no graduation from the program. However, the proposed rule will allow a one-time exemption for persons who have been registered for more than ten years as of March 1, 2000. The proposed rule change would also require that persons registered in a supervisory capacity will have to have been registered in a supervisory capacity for more than ten years as of March 1, 2000 to be covered by this one-time exemption. Lastly, the proposed rule change would require members to focus on supervisory training needs and address such needs in the Firm Element training plan.

2. Statutory Basis

The Exchange believes that the proposed rule change is consistent with Section 6 of the Act, in general, and furthers the objectives of Section 6(c)(3)(A)⁴ and Section 6(c)(3)(B)⁵, in particular. These sections prescribe appropriate standards of training, experience, and competence for broker-dealers and their associated persons. The Exchange believes that the proposed rule change is also consistent with Section 6(b)(5)⁶ of the Act, in that it is designed to perfect the mechanisms of a free and open market and a national market system, and to protect investors and the public interest.

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

The Exchange believes that the proposed rule change will impose no burden on competition.

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

Written comments were neither solicited nor received with respect to the proposed rule change.

III. 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-CHX-99-32 and should be submitted by March 9, 2000.

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

The Commission has reviewed the CHX's proposed rule change and finds, for the reasons set forth below, that the proposal is consistent with the requirements of Section 6⁷ of the Act and the rules and regulations thereunder applicable to a national securities exchange. Specifically, the Commission believes the proposal is consistent with Section 6(b)(5)⁸ of the Act, which requires that the rules of an Exchange be designed 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

³ See Securities Exchange Act Release No. 39712 (March 3, 1998), 63 FR 11939 (March 11, 1998) (approving File Nos. SR-CBOE-97-68; SR-MSRB-98-02; SR-NASD-98-03; and SR-NYSE-97-33). See also Securities Exchange Act Release No. 39711 (March 3, 1998), 63 FR 12118 (March 12, 1998) (File No. SR-AMEX-98-08) and Securities Exchange Act Release No. 39802 (March 25, 1998), 63 FR 15474 (March 31, 1998) (File No. SR-Phlx-98-13). The Commission received 5 comment letters, which were discussed in the order approving the initial proposals. See Securities Exchange Act Release No. 39712 (March 3, 1998).

⁴ 15 U.S.C. 78f(c)(3)(A).

⁵ 15 U.S.C. 78f(c)(3)(B).

⁶ 15 U.S.C. 78f(b)(5).

⁷ 15 U.S.C. 78f.

⁸ 15 U.S.C. 78f(b)(5).

public interest.⁹ The Commission further believes that the proposed rule change is consistent with Section 6(c)(3)(B),¹⁰ which makes it the responsibility of an exchange to prescribe standards of training, experience, and competence for persons associated with SRO members.

The Commission also believes that the proposed rule change is consistent with the purposes underlying Section 15(b)(7) of the Act, which generally prohibits a registered person from effecting any transaction in, or inducing the purchase or sale of, any security unless such registered person meets the standard of training, competence and other qualifications as the Commission finds necessary or appropriate in the the public interest or for the protection of investors. The Commission finds that the CHX's proposed rule change is in appropriate means of maintaining and reinforcing the initial qualification standards required of a registered person; participating in the Regulatory Element throughout their securities industry careers should assist registered persons to keep current on developments in the industry.

The Commission finds good cause for approving the proposed rule change (SR-CHX-99-32) prior to the thirtieth day after the date of publication of notice thereof in the **Federal Register**. These amendments proposed by the CHX on continuing education requirements have been uniformly adopted by other SRO Council members.¹¹

It is therefore ordered, pursuant to Section 19(b)(2)¹² of the Act, that the proposed rule change (SR-CHX-99-32) is hereby approved on an accelerated basis. This rule change shall become effective on March 1, 2000.¹³

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹⁴

Margaret H. McFarland,
Deputy Secretary.

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⁹ In approving this rule, the Commission notes that it has also considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

¹⁰ 15 U.S.C. 78f(c)(3)(B).

¹¹ See *supra* note 3.

¹² 15 U.S.C. 78s(b)(2).

¹³ CHX intends for the amendments to its continuing education requirements reflected in this proposed rule change to be effective as of March 1, 2000. Telephone conversation between Michael Cardin, Manager, Market Regulation, CHX and Geoffrey Pemble, Attorney, Division of Market Regulation, SEC, January 24, 2000.

¹⁴ 17 CFR 200.30-3(a)(12).

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42406; File No. SR-NYSE-00-02]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment No. 1 by the New York Stock Exchange, Inc. To Amend the Schedule of Continued Annual Listing Fees for Non-U.S. Companies

February 8, 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. Amendment No. 1 was filed on January 27, 2000.³ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

The Exchange proposes to amend Paragraph 902.04 of the Exchange's Listed Company Manual (the "Manual"). Paragraph 902.04 of the Manual contains the schedule of current listing fees for non-U.S. companies listing securities on the Exchange. The text of the proposed rule change is as follows. Proposed additions are in *italics* and proposed deletions are in *brackets*.

902.04 [OVERSEAS] NON-U.S. COMPANIES

* * * * *

SCHEDULE OF CONTINUING ANNUAL FEES

[(Effective January 1, 1994)]

	Per million
Per share or ADR rates (or similar security):	
1st and 2nd million	\$1,650
In excess of 2 million	830

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ In Amendment No. 1, the Exchange changed the text of the title for NYSE Rule 902.04 from "Overseas Companies" to "Non-U.S. Companies." See letter from James E. Buck, Senior Vice President and Secretary, NYSE, to Richard Strasser, Assistant Director, Division of Market Regulation ("Division"), SEC, dated January 21, 2000.

SCHEDULE OF CONTINUING ANNUAL FEES—Continued

[(Effective January 1, 1994)]

	Per million
Minimum fees for shares or ADRs listed (or similar securities) (millions):	
Up to [10] 50	\$35,000 [16,170]
[10+ to 20]	[24,260]
[20+ to 50]	[32,340]
50+ to 100	48,410
100+ to 200	64,580
200	80,440
Maximum annual fee	500,000

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

The proposed rule change amends the listed company fee schedule, set forth in Paragraph 902.04 of the Manual, as it applies to continuing annual listing fees for non-U.S. companies. Specifically, the Exchange seeks to establish a minimum continuing annual fee for non-U.S. companies of \$35,000 per year.

2. Statutory Basis

The Exchange believes the proposed rule change, as amended, is consistent with Section 6(b)(4) of that Act,⁴ which provides 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.

⁴ 15 U.S.C. 78f(b)(4).