

# Rules and Regulations

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## SECURITIES AND EXCHANGE COMMISSION

### 17 CFR Parts 240 and 242

[Release No. 34-40760B; File No. S7-12-98]

RIN 3235-AH41

### Regulation of Exchanges and Alternative Trading Systems; Technical Amendments

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Technical amendments.

**SUMMARY:** The Securities and Exchange Commission ("Commission") today is making a technical change to Exchange Act Rules 17a-4(b)(1) and 301(b)(4). These and other rules and rule amendments that relate to the regulation of exchanges and alternative trading systems were published on December 22, 1998 (63 FR 70844).

**EFFECTIVE DATE:** March 7, 2000.

**FOR FURTHER INFORMATION CONTACT:** Elizabeth King, Associate Director, at (202) 942-0140, Constance Kiggins, Special Counsel, at (202) 942-0059, and John Roeser, Attorney, at (202) 942-0762, Division of Market Regulation.

### SUPPLEMENTARY INFORMATION:

#### Background

On December 8, 1998, the Commission adopted new rules and rule amendments regarding the regulation of exchanges and alternative trading systems.<sup>1</sup> The Commission also repealed Exchange Act Rule 17a-23 and amended the books and records rules by transferring the recordkeeping requirements from Rule 17a-23 to Rules 17a-3 and 17a-4, as those rules apply to broker-dealer internal trading

systems. The Commission amended Exchange Act Rule 17a-3 by adding paragraph (a)(16), which requires broker-dealers to make records regarding the activities of internal broker-dealer systems.<sup>2</sup> The Commission stated in the adopting release that the amendments to Exchange Act Rule 17a-4 would require that the records required under Rule 17a-3(a)(16) be preserved for three years, the first two years in an accessible place. This requirement, however, was not included in the amended rule language of Rule 17a-4. Consequently, the Commission is making a technical amendment to Rule 17a-4(b)(1) to include the records required under Rule 17a-3(a)(16).

In addition, Exchange Act Rule 301(b)(4) contains a typographical error that may prove misleading and requires clarification. Specifically, the first sentence of Rule 301(b)(4), prohibits an alternative trading system from charging fees to broker-dealers, that access the alternative trading system through a national securities exchange or national securities association, that are inconsistent with equivalent access, as "required by paragraph (b)(3)(iv)." The equivalent access requirement, however, is a paragraph (b)(3)(iii). The Commission is making a technical amendment to correctly refer to the equivalent access requirement in paragraph (b)(3)(iii).

### List of Subjects

#### 17 CFR Part 240

Brokers-dealers, Fraud, Issuers, Reporting and recordkeeping requirements, Securities.

#### 17 CFR Part 242

Securities.

Accordingly, Title 17 CFR Part II is amended by making the following technical amendments:

### PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

1. The authority citation for Part 240 continues to read in part as follows:

**Authority:** 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77z-2, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78d, 78f, 78i, 78j, 78j-1, 78k, 78k-1, 78l, 78m, 78n, 78o, 78p, 78q, 78s, 78u-5, 78w, 78x, 78ll(d), 78mm, 79q, 79t, 80a-20, 80a-23,

80a-29, 80a-37, 80b-3, 80b-4 and 80b-11, unless otherwise noted.

\* \* \* \* \*

2. § 240.17a-4 is amended by revising paragraph (b)(1) to read as follows:

### § 240.17a-4 Records to be preserved by certain members, brokers and dealers.

\* \* \* \* \*

(b) \* \* \*

(1) All records required to be made pursuant to paragraphs (a)(4), (a)(6), (a)(7), (a)(8), (a)(9), (a)(10), and (a)(16) of § 240.17a-3.

\* \* \* \* \*

### PART 242—REGULATIONS M AND ATS

3. The authority citation for part 242 continues to read as follows:

**Authority:** 15 U.S.C. 77g, 77q(a), 77s(a), 78b, 78c, 78i(a), 78j, 78k-1(c), 78l, 78m, 78mm, 78n, 78o(b), 78o(c), 78o(g), 78q(a), 78q(b), 78q(h), 78w(a), 78dd-1, 80a-23, 80a-29, and 80a-37.

### § 242.301 [Amended]

4. In § 242.301, the first sentence of paragraph (b)(4), the reference "(b)(3)(iv)" is revised to read "(b)(3)(iii)".

Dated: March 7, 2000.

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 00-5993 Filed 3-10-00; 8:45 am]

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## DEPARTMENT OF JUSTICE

### Drug Enforcement Administration

### 21 CFR Parts 1301 and 1308

[DEA-200F]

### Schedules of Controlled Substances: Addition of Gamma-Hydroxybutyric Acid to Schedule I

**AGENCY:** Drug Enforcement Administration, Department of Justice.  
**ACTION:** Final rule.

**SUMMARY:** This is a final rule issued by the Deputy Administrator of the Drug Enforcement Administration (DEA) placing gamma-hydroxybutyric acid (GHB) and its salts, isomers, and salts of isomers into Schedule I of the Controlled Substances Act (CSA) pursuant to Public Law 106-172. Public

<sup>1</sup> Securities Exchange Act Release No. 40760 (December 8, 1998), 63 FR 70844 (December 22, 1998).

<sup>2</sup> 17 CFR 240.17a-3(a)(16).