

very short-term municipal issues (*e.g.*, commercial paper, variable rate demand obligations and short-term notes) from both the inter-dealer and customer transaction assessments.<sup>14</sup> There are relatively few transactions in these issues compared to the market as a whole (less than 7 percent of all transactions). However, transactions in these extremely short-term issues, which constitute about 51 percent of the par value traded, typically have very high par values. To assess a transaction activity fee on such issues would result in disproportionate fees for the small number of dealers that trade them, especially since those dealers also generally will have the highest levels of transaction and underwriting activity in issues that are subject to fee assessments.<sup>15</sup>

## 2. Basis

The Board believes the proposed rule change is consistent with Section 15B(b)(2)(J) of the Act,<sup>16</sup> which requires, in pertinent part, that the Board's rules shall:

provide that each municipal securities broker and each municipal securities dealer shall pay to the Board such reasonable fees and charges as may be necessary or appropriate to defray the costs and expenses of operating and administering the Board \* \* \*.

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

The Board does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act in that it applies equally to all dealers in municipal securities.

### *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.

<sup>14</sup> Currently, all inter-dealer transactions required to be reported to the Board are considered for purposes of the fee calculation.

<sup>15</sup> In connection with the Board's proposal in 1995 to institute the inter-dealer transaction fee assessment, several municipal "broker's brokers" expressed a concern that they would be assessed a disproportionate share of Board fee revenue. The presently proposed rule change would address this concern. Since broker's brokers do not effect transactions with customers, the percentage of total Board revenue paid by these brokers would decrease when customer transactions are included in the fee base.

<sup>16</sup> 15 U.S.C. 78o-4(b)(2)(J).

## 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 MSRB consents, the Commission will:

(A) By order approve such 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 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 the filing will also be available for inspection and copying at the Board's principal offices. All submissions should refer to File No. SR-MSRB-00-03 and should be submitted by March 31, 2000.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.<sup>17</sup>

**Jonathan G. Katz,**

*Secretary.*

[FR Doc. 00-5917 Filed 3-9-00; 8:45 am]

**BILLING CODE 8010-01-M**

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-42494; File No. SR-NASD-00-06]

### **Self-Regulatory Organizations; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by the National Association of Securities Dealers, Inc. Relating to the Delay of the Implementation Date of Changes to Riskless Principal Trade Reporting Rules**

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> notice is hereby given that on February 24, 2000, the National Association of Securities Dealers, Inc. ("NASD"), through its wholly owned subsidiary, the Nasdaq Stock Market, Inc. ("Nasdaq"), 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 Nasdaq. Nasdaq filed the proposal pursuant to Section 19(b)(3)(A) of the Act,<sup>3</sup> and Rule 19b-4(f)(1) thereunder,<sup>4</sup> which renders the proposal effective upon filing with the Commission. 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 Proposal**

Nasdaq's proposal is an re-interpretation to NASD Rules 4632, 4642, 4652, 6420, and 6620, regarding riskless principal trade reporting. The intent of this proposed re-interpretation is to delay the effective date of the riskless principal trade reporting rule changes announced in SR-NASD-98-59<sup>5</sup> and SR-NASD-98-08,<sup>6</sup> and the interpretations thereto filed in SR-NASD-99-39<sup>7</sup> and SR-NASD-99-52.<sup>8</sup>

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

In its filing with the Commission, Nasdaq included statements concerning

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> 15 U.S.C. 78s(b)(3)(A).

<sup>4</sup> 17 CFR 240.19b-4(f)(1).

<sup>5</sup> See Securities Exchange Act Release No. 41208 (March 24, 1999), 64 FR 15386 (March 31, 1999).

<sup>6</sup> See Securities Exchange Act Release No. 41606 (July 8, 1999), 64 FR 37226 (July 15, 1999).

<sup>7</sup> See Securities Exchange Act Release No. 41731 (August 11, 1999), 64 FR 44983 (August 18, 1999).

<sup>8</sup> See Securities Exchange Act Release No. 41974 (October 4, 1999), 64 FR 55508 (October 13, 1999).

<sup>17</sup> 17 CFR 200.30-3(a)(12).

the purpose of and basis for its proposal and discussed any comments it received regarding the proposal. The text of these statements may be examined at the places specified in Item IV below. Nasdaq 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

On March 24, 1999 and July 8, 1999, respectively, the Commission approved proposals to amend NASD trade reporting rules relating to riskless principal transactions in Nasdaq National Market, Nasdaq SmallCap Market, Nasdaq convertible debt, non-Nasdaq over-the-counter ("OTC") equity securities, and exchange-listed securities traded in the third market ("Riskless Principal Trade Reporting Rules").<sup>9</sup> Under the new Riskless Principal Trade Reporting Rules, a "riskless" principal transaction is one where an NASD member, after having received an order to buy (sell) a security, purchases (sells) the security as principal at the same price to satisfy the order to buy (sell).<sup>10</sup> The Riskless Principal Trade Reporting Rules provide that if a transaction is "riskless," the offsetting transaction/leg (e.g., the transaction with the customer) need not be reported.

In the Order approving SR-NASD-98-59, the Commission asked Nasdaq to submit an interpretation providing examples of how mark-ups, mark-downs, and other fees will be excluded for purposes of the amended riskless principal rules.<sup>11</sup> On August 5, 1999, Nasdaq filed with the Commission SR-NASD-99-39<sup>12</sup> attached to which was *Notice to Members 99-65*, which gave examples of how mark-ups and other fees will be excluded for purposes of the Riskless Principles Trade Reporting Rules. SR-NASD-99-39 and *Notice to Members 99-65* were filed as an interpretation to existing NASD Rules

4632, 4642, 4652 and 6620. In addition to giving examples of how mark-ups and other fees will be excluded for purposes of the Riskless Principal Trade Reporting Rules, *Notice to Members 99-65* stated that the rule changes announced in SR-NASD-98-59<sup>13</sup> and the interpretations to those rules contained in the *Notice* would become effective on September 30, 1999.

The NASD published *Notice of Members 99-65* (discussing the trade reporting rules for riskless principal transactions in Nasdaq and OTC securities) and *Notice to Members 99-66* (discussing, among other things, the trade reporting rules for the third market) in August 1999. The *Notices* announced that the Riskless Principal Trade Reporting Rules would go into effect on September 30, 1999.

Shortly after publication of *Notices to Members 99-65* and *99-66*, a number of firms represented that they were unable to prepare their systems for compliance with the new Riskless Principal Trade Reporting Rules by the September 30, 1999 deadline. The firms' inability to meet the September 30, 1999 deadline was due, in large part, to Year 2000 ("Y2K") remediation and testing requirements, as well as other code changes. In addition, the firms stated that, due to a Y2K code freeze, they were not able to complete programming for the Riskless Principal Trade Reporting Rules until the end of the first quarter of 2000. Subsequently, Nasdaq filed SR-NASD-99-52,<sup>14</sup> the purpose of which was to delay the implementation date of the new Riskless Principal Trade Reporting Rules until March 1, 2000.

Nasdaq proposes to defer the implementation date of the Riskless Principal Trade Reporting Rules until September 1, 2000, because a number of NASD members have represented that the approach described in *Notices to Members 99-65* and *99-66* for riskless principal trade reporting would raise significant issues that need to be addressed in greater detail through, for example, interpretive guidance. The firms have requested an extension of the implementation date until September 1, 2000, to allow the firms and the NASD time to resolve the issues posed, and to program their systems.

Specifically, Nasdaq received a copy of a letter dated February 18, 2000 ("Letter") in which the signatory firms requested an extension of the implementation date of the Riskless

Principal Trade Reporting Rules.<sup>15</sup> The Letter stated that the signatory firms ("Firms") are requesting the extension because they have asked the NASD to consider a proposed new approach to riskless principal trade reporting that differs significantly from the approach described in *Notices to Members 99-65* and *99-66*. The Firms proposed the new approach because they believe that, under the approach set forth in the *Notices*, accurately reporting trades through electronic communication networks would be problematic, as would executions in which both the first and second leg of riskless principal trades are reported by their own trading systems. The Letter gives examples of trade reporting problems presented by the Riskless Principal Trade Reporting Rules.

The Firms request an extension of the implementation date until September 1, 2000, to give them and the NASD adequate time to develop workable solutions to the reporting problems that have been identified, and to program their systems. The extension until September 1, 2000 is necessary because the industry and the NASD will be required to devote a portion of their technology resources in the first and second quarters of 2000 to the implementation of decimal pricing by the July 3, 2000 deadline established by the SEC's Decimalization Order.<sup>16</sup>

Nasdaq believes that a delay in the implementation of the Riskless Principal Trade Reporting Rules is reasonable in light of the decimalization efforts, the need for the NASD and the Firms to develop workable solutions to the problems identified, and the programming changes required by the rule change.

2. Statutory Basis

Nasdaq believes it would not be prudent nor would it be consistent with Section 15A of the Act<sup>17</sup> to require members to implement substantial system changes at a time when they are focusing significant resources and time

<sup>9</sup> See Securities Exchange Act Release No. 41208 (March 24, 1999), 64 FR 15386 (March 31, 1999) (SR-NASD-98-59). See also Securities Exchange Act Release No. 41606 (July 8, 1999), 64 FR 38226 (July 15, 1999) (SR-NASD-98-08).

<sup>10</sup> See Securities Exchange Act Release No. 41208 (March 24, 1999), 64 FR 15386 (March 31, 1999) (SR-NASD-98-59). See also, Securities Exchange Act Release No. 41606 (July 8, 1999), 64 FR 38226 (July 15, 1999) (SR-NASD-98-08).

<sup>11</sup> See Securities Exchange Act Release No. 41208 (March 24, 1999), 64 FR 15386 (March 31, 1999) at footnote 15.

<sup>12</sup> See Securities Exchange Act Release No. 41731 (August 11, 1999), 64 FR 44983 (August 18, 1999).

<sup>13</sup> See Securities Exchange Act Release No. 41208 (March 24, 1999), 64 FR 15386 (March 31, 1999).

<sup>14</sup> See Securities Exchange Act Release No. 41974 (October 4, 1999), 64 FR 55508 (October 13, 1999).

<sup>15</sup> See February 18, 2000 letter to Belinda Blaine, Associate Director, SEC (a copy was sent to, among others, Robert Aber, Senior Vice President and General Counsel, Nasdaq), from Automated Securities Clearance, Ltd. and the following NASD member firms: Bernard L. Madoff Securities; CIBC World Markets; Credit Suisse First Boston; Deutsche Banc Alex. Brown; Donaldson, Lufkin & Jenrette; Goldman Sachs & Co.; Jefferies; Lehman Bros.; Merrill Lynch, Pierce, Fenner & Smith, Inc.; Morgan Stanley Dean Witter; and Salomon Smith Barney Inc.

<sup>16</sup> Order Directing the Exchanges and the NASD to Submit a Decimalization Implementation Plan Pursuant to Section 11A(a)(3)(B) of the Act, Release No. 34-42360 (January 28, 2000), 65 FR 5003 (February 2, 2000) (File No. 4-430).

<sup>17</sup> 15 U.S.C. 78o-3.

to implement decimal pricing, especially if the changes will not accomplish the objectives of streamlining trade reporting in Nasdaq, OTC, and Third Market securities and reducing SEC transaction fees. Thus, Nasdaq believes that the proposed rule change is consistent with the provisions of Section 15A(b)(6) of the Act<sup>18</sup> in that it is 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.

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

Nasdaq does not believe that the proposed rule change will result in any burden on competition that is not necessary or appropriate in furtherance of the purposes of the Act, as amended.

#### *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.

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

The foregoing proposal has become effective pursuant to Section 19(b)(3)(A)(i) of the Act,<sup>19</sup> and Rule 19b-4(f)(1)<sup>20</sup> thereunder, in that it constitutes a stated policy and interpretation with respect to the meaning of an existing rule.

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.<sup>21</sup>

### **IV. Solicitation of Comments**

Interested persons are invited to submit written data, views, and arguments concerning the foregoing, including whether the proposal 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 the NASD. All submissions should refer to file number SR-NASD-00-06 and should be submitted by March 31, 2000.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>22</sup>

**Jonathan G. Katz,**  
Secretary.

[FR Doc. 00-5916 Filed 3-9-00; 8:45 am]

BILLING CODE 8010-01-M

## **SOCIAL SECURITY ADMINISTRATION**

### **Agency Information Collection Activities: Proposed Request**

In compliance with the Paperwork Reduction Act of 1995 (44 U.S.C 3507), SSA is providing notice of its information collections that require submission to the Office of Management and Budget (OMB). SSA is soliciting comments on the accuracy of the agency's burden estimate; the need for the information; its practical utility; ways to enhance its quality, utility and clarity; and on ways to minimize burden on respondents, including the use of automated collection techniques or other forms of information technology.

The information collections listed below will be submitted to OMB within 60 days from the date of this notice. Therefore, comments and recommendations regarding the information collections would be most useful if received by the Agency within 60 days from the date of the publication of this notice. Comments should be directed to the SSA Reports Clearance Officer at the address listed at the end of the notice. You can obtain a copy of the collection instruments by calling the SSA Reports Clearance Officer on (410) 965-4145, or by writing to him.

1. Internet Retirement Insurance Benefit (IRIB) Application—0960—NEW. The information collected is used by SSA to determine entitlement to

retirement insurance benefits. Currently, applicants for retirement insurance benefits complete an SSA-1 by telephone or in person with the assistance of an SSA employee. The IRIB application will enable individuals to complete the application on their own electronically over the Internet.

*Number of Respondents:* 80,000.

*Frequency of Response:* 1.

*Average Burden Per Response:* 15 minutes.

*Estimated Annual Burden:* 20,000 hours.

2. Request for Internet Service—Authentication—0960-0596. The information collected on the electronic request for Internet Service, Authentication, is used by the Social Security Administration to identify its customers who are requesting Privacy Act protected information. The respondents are members of the public who request services from SSA through the Internet.

*Number of Respondents:* 21,000.

*Frequency of Response:* 1.

*Average Burden Per Response:* 1.5 minutes.

*Estimated Annual Burden:* 525 hours.

(SSA Address)

Social Security Administration,  
DCFAM, Attn: Frederick W.  
Brickenkamp, 6401 Security Blvd., 1-  
A-21 Operations Bldg., Baltimore, MD  
21235.

Dated: March 3, 2000.

**Frederick W. Brickenkamp,**  
Reports Clearance Officer, Social Security  
Administration.

[FR Doc. 00-5768 Filed 3-9-00; 8:45 am]

BILLING CODE 4191-02-P

## **DEPARTMENT OF STATE**

[Public Notice 3246]

### **Culturally Significant Objects Imported for Exhibition Determinations: "Golden Years of Faberge: Objects and Drawings From the Wigstrom Workshop"**

**DEPARTMENT:** United States Department of State.

**ACTION:** Notice.

**SUMMARY:** Notice is hereby given of the following determinations: Pursuant to the authority vested in me by the Act of October 19, 1965 (79 Stat. 985, 22 U.S.C. 2459), the Foreign Affairs Reform and Restructuring Act of 1998 (112 Stat. 2681 *et seq.*), Delegation of Authority No. 234 of October 1, 1999 (64 FR 56014), and Delegation of Authority No. 236 of October 19, 1999, as amended by

<sup>18</sup> 15 U.S.C. 78o-3(b)(6).

<sup>19</sup> 15 U.S.C. 78s(b)(3)(A)(i).

<sup>20</sup> 17 CFR 240.19b-4(f)(1).

<sup>21</sup> In reviewing this rule, the Commission has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>22</sup> 17 CFR 200.30-3(a)(12).