

MEMO# 13542

May 25, 2001

SEC EXTENDS DEADLINE FOR SUBMISSION OF DECIMALIZATION STUDIES AND RELATED RULE FILINGS

[13542] May 25, 2001 TO: EQUITY MARKETS ADVISORY COMMITTEE No. 14-01 RE: SEC EXTENDS DEADLINE FOR SUBMISSION OF DECIMALIZATION STUDIES AND RELATED RULE FILINGS The Securities and Exchange Commission has issued an order extending the deadlines for the securities exchanges and the NASD to submit studies and related rule filings concerning the implementation of decimalization.¹ In particular, the exchanges and the NASD will now have until September 10, 2001 to submit to the SEC a study regarding the impact of decimal pricing on systems capacity, liquidity, and trading behavior, including whether there should be a uniform minimum increment for a security. In addition, the exchanges and the NASD will now have until November 5, 2001 to submit rule filings to establish their individual choice of minimum increments by which equities or options are quoted on their respective markets. The SEC stated that they are extending the deadlines in order to give the exchanges and the NASD “adequate time to thoroughly analyze all of the vital investor protection and market integrity issues that need to be addressed in order to preserve the benefits of decimalization.” Ari Burstein Associate Counsel 1 Securities Exchange Act Release No. 44336 (May 24, 2001).

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