

**MEMO# 12654**

September 25, 2000

# AMENDMENTS TO NYSE, NASDAQ AND AMEX RULES TO IMPLEMENT DECIMAL PRICING

[12654] September 22, 2000 TO: EQUITY MARKETS ADVISORY COMMITTEE No. 51-00 RE: AMENDMENTS TO NYSE, NASDAQ AND AMEX RULES TO IMPLEMENT DECIMAL PRICING In response to an order of the Securities and Exchange Commission, the national securities exchanges<sup>1</sup> and the National Association of Securities Dealers, Inc. (through its wholly-owned subsidiary, The Nasdaq Stock Market), have each filed with the SEC proposed changes to their rules relating to decimal pricing.<sup>2</sup> Although these rule changes became effective immediately upon being filed with the SEC, comment is being solicited on them. Comments are due to the SEC by September 29, 2000. These rule changes were filed in response to an order that the SEC issued on June 8, 2000, that required the national securities exchanges and the NASD to submit a phase-in plan to the SEC by July 24, 2000 to provide for decimal pricing in: (i) exchange-listed securities and options by September 5, 2000; (ii) some Nasdaq securities by March 12, 2001; and (iii) all exchange-listed securities and Nasdaq securities by April 9, 2001. The SEC's order also required the exchanges and the NASD to file by August 7, 2000 rule changes necessary to implement the plan. The rule changes generally revise references in the rules from fractions to decimals to accommodate the implementation of decimal pricing in accordance with the phase-in plan submitted to the SEC. In particular, references to fractions have been converted to two decimal places (e.g., \$.25 for  $\frac{1}{4}$ ). Where the reference is to a fraction that does not convert to a two-place decimal (e.g.,  $\frac{1}{8}$ ), the fraction generally has been rounded down to the nearest five cent increment (e.g., \$.10 for  $\frac{1}{8}$  rather than \$.125). Amy B.R. Lancellotta Senior Counsel

Attachment 1 The national securities exchanges subject to the SEC's order are the New York Stock Exchange (NYSE), the American Stock Exchange (Amex), the International Securities Exchange LLC (ITS), and the Chicago Board Options Exchange (CBOE). 2 A copy of the SEC's releases relating to the NYSE, Amex and Nasdaq rule changes is attached. Securities Exchange Act Releases Nos. 43230, 43231 and 43232 (dated August 30, 2000). Amendments to the ITS Plan relating to decimal pricing in listed securities were also filed and immediately effective. 2Attachment (in .pdf format)

---

**Source URL:** <https://icinew-stage.ici.org/memo-12654>

Copyright © by the Investment Company Institute. All rights reserved. Information may be abridged and therefore incomplete. Communications from the Institute do not constitute, and should not be considered a substitute for, legal advice.