

SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 240

[Release No. 34-44060; File No. S7-16-00]

RIN 3235-AH95

Disclosure of Order Execution and Routing Practices

AGENCY: Securities and Exchange Commission

ACTION: Final rule; extension of initial compliance date.

SUMMARY: The Commission is extending the initial compliance date of Rule 11Ac1-5 of the Securities Exchange Act of 1934. Rule 11Ac1-5 and Rule 11Ac1-6 require improved public disclosure of order execution and order routing practices and were published on December 1, 2000 (65 FR 75414).

DATES: Effective Date: The effective date of Rule 11Ac1-5 published on December 1, 2000 (65 FR 75414) remains January 30, 2001. Compliance Date: The initial compliance date for the first phase-in of securities subject to Rule 11Ac1-5 is extended from April 2, 2001, to May 1, 2001. While this order alters the initial compliance date for Rule 11Ac1-5, the subsequent phase-in dates of Rule 11Ac1-5 and the compliance date of Rule 11Ac1-6 are unchanged.

FOR FURTHER INFORMATION CONTACT: Susie Cho, Attorney, at (202) 942-0748, Division of Market Regulation, Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549-1001.

SUPPLEMENTARY INFORMATION: On November 17, 2000, the Securities and Exchange Commission (“SEC” or “Commission”) adopted Rule 11Ac1-5¹ (“Rule”) under the Securities Exchange Act of 1934 (“Exchange Act”) to improve public disclosure of order execution practices.² Under the Rule, market centers that trade national market system securities are required to make available to the public monthly electronic reports that include uniform statistical measures of execution quality. The compliance date for the first phase-in of securities subject to the Rule was Monday, April 2, 2001.

The Rule also directs the self-regulatory organizations (“SROs”) that trade national market system securities to act jointly in establishing procedures for market centers to follow in making their monthly order execution reports available to the public in a readily accessible, uniform, and usable electronic format. On February 21, 2001, the Commission issued a release giving notice of the filing of a proposed plan establishing such procedures by the SROs (“Joint SRO Plan”).³ In addition, the Commission’s staff has been working with market participants to answer frequently asked interpretive questions concerning the implementation and operation of the Rule.

The Commission is extending the initial compliance date of Rule 11Ac1-5 to May 1, 2001. The extension is intended to allow market centers a fuller opportunity to implement procedures for making reports available to the public and to incorporate the Commission staff’s interpretive guidance on the

¹ 17 CFR 240.11Ac1-5.

² See Securities Exchange Act Release No. 43590 (November 17, 2000), 65 FR 75414.

³ See Securities Exchange Act Release No. 43992 (February 21, 2001).

Rule. The market centers will have additional time to program their systems to comply with the Rule's reporting requirements and to produce accurate, reliable, and useable monthly reports.

By the Commission

Jonathan G. Katz
Secretary

Dated: March 9, 2001