

INFORMATIONAL

Decimalization

**SEC Suspends
Decimalization Deadline
And Requests Comment
On Extended Deadline****SUGGESTED ROUTING**

The Suggested Routing function is meant to aid the reader of this document. Each NASD member firm should consider the appropriate distribution in the context of its own organizational structure.

- Legal & Compliance
- Operations
- Options
- Registered Representatives
- Senior Management
- Technology
- Trading & Market Making

KEY TOPICS

- Decimalization

Executive Summary

The Securities and Exchange Commission (SEC or Commission) recently suspended the July 3, 2000 deadline for decimal trading and requests comment on two alternative plans which would revise the securities industry's decimal implementation schedule.

The SEC order announcing the deadline suspension is included with this *Notice*.

Questions/Further Information

Questions regarding this *Notice to Members* may be directed to the National Association of Securities Dealers, Inc. (NASD®) Decimalization Program Management Office (DPMO) toll free at: (888) 227-1330 or via e-mail at decimals@nasd.com.

Members should check the NASD Web Site (www.nasd.com) frequently for general information regarding decimalization and the Securities Industry Association (SIA) Web Site (www.sia.com) for information on industry preparation testing (view the *Decimalization Testing & Implementation Guide*).

Decimalization Deadline Extension

After extensive review and testing of Nasdaq® systems and in light of recent growth in quotation and trade volume, the NASD recently asked the Commission to delay the July 3, 2000 decimals implementation plan. Therefore, the Commission has suspended the original deadline and has proposed the following two alternative schedules for which it is seeking comment:

- 1) trade all exchange-listed securities in decimals by September 4, 2000;
- 2) phase in decimal trading in certain exchange-listed securities on a pilot basis. This pilot program would begin on September 4, 2000, and would initially include a small number of exchange-listed securities and would expand to all listed stocks by March 31, 2001.

Under both alternatives, the NASD would begin trading in decimals by March 31, 2001.

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