



SECURITIES AND EXCHANGE COMMISSION

Washington, D. C. 20549

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FOR IMMEDIATE RELEASE: Thursday, May 5, 1977

77-12

COMMISSION SCHEDULES OPEN MEETING TO DISCUSS OFF-BOARD TRADING RESTRICTIONS

The Commission decided today to hold an open meeting on May 12 in order to discuss the substantive issues involved in its consideration of what steps to take regarding remaining restrictions on off-board trading by members of national securities exchanges.

At a closed meeting this morning, the Commission discussed procedural matters related to its consideration of the off-board trading issue. That discussion involved principally the following four areas:

- 1) identifying any relevant matters which might be inappropriate for discussion at an open meeting;
- 2) relevant statutory and legal considerations;
- 3) pertinent law enforcement concerns; and
- 4) scheduling of an open meeting.

Pursuant to provisions of the Securities Acts Amendments of 1975, the Commission has previously reviewed rules of the securities industry self-regulatory organizations to determine which are anti-competitive and should be abrogated. On December 19, 1975 the Commission adopted Rule 19c-1, amending rules of national securities exchanges which prevented exchange members from effecting over-the-counter transactions in securities traded on exchanges. Specifically, Rule 19c-1 precluded exchanges from retaining any rule which prevented exchange members acting as agents from executing such transactions with third market makers and with non-member block positioners. At that time the Commission also determined that remaining bars to "in house"

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agency cross transactions by exchange members, and to off-board principal trades by exchange members, have anti-competitive effects (effects which the Commission termed "significant" in the case of off-board principal trade restrictions). However, the Commission deferred action with respect to those remaining restrictions and declared it would re-visit the issue during the Spring of 1977.

The open meeting scheduled for May 12, pursuant to provisions of the Government in the Sunshine Act, will be held in the Commission Meeting Room, room 825, at the Commission's headquarters, 500 North Capitol Street. Members of the public are welcome to attend.

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