

NEWS

SECURITIES AND EXCHANGE COMMISSION

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COMMISSION TO CONSIDER WHETHER TO REMOVE REMAINING PROHIBITIONS ON OFF-BOARD TRADING FOR CERTAIN STOCKS

The Commission will consider, at an open meeting scheduled for Thursday, June 5, a proposed rule which would eliminate remaining prohibitions against members of stock exchanges trading away from the exchange floor in certain securities.

The meeting is scheduled to begin at 10 a.m. Thursday in the Commission Meeting Room at Commission Headquarters, 500 North Capitol Street. Staff officials will participate in a briefing in Room 876 following the meeting, to explain whatever action the Commission takes.

Exchange "off-board" trading restrictions presently prevent members from engaging in transactions in exchange traded securities away from the exchange floor either as principal or as agent where the member represents both the buyer and the seller. Proposed Rule 19c-3, if adopted, would prevent exchanges from applying existing off-board restrictions to any securities which were not traded on exchanges on April 26, 1979. In addition, it would prevent application of such existing restrictions to securities which were exchange traded on that date, but which fail to remain continuously exchange traded afterward.

The question of whether to eliminate off-board trading restrictions has been the subject to two prior Commission proceedings in 1975 and 1977. The first of these proceedings culminated in the adoption of Rule 19c-1 removing such restrictions with respect on agency transactions by members with qualified third market makers and non-member block positions. The second proceeding is on-going. While resulting in an amendment to Rule 19c-1, it has focused primarily on proposed Rule 19c-2 which would remove all remaining off-board trading restrictions for most exchange traded securities.

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