

**RAN-00-19**  
**July 6, 2000**

**TO: All PCX Members and Member Organizations**

**FROM: Department of Regulatory Policy**

**SUBJECT: Mandatory Decimal Pricing Testing**  
**(File No. SR-PCX-00-17)**

On June 30, 2000, the SEC approved a PCX rule change that will require member organizations to participate in industry testing of computer systems designed to prepare for the industry conversion to decimal pricing.

Following is the text of the rule change that the SEC has approved. Questions regarding this Bulletin may be directed to Michael Pierson at (415) 393-4107.

**Text of the Rule Change:**<sup>1</sup>

**¶3087 Year 2000 Testing Requirements**

Rule 1.15(a)(1) – No change.

(2)~~(b)~~ – No change.

(3)~~(e)~~ – No change.

(4)~~(d)~~ – No change.

**Rule 1.15(b) Mandatory Decimal Pricing Testing**

(1) Point-to-Point Testing. Each member organization that has an electronic interface with the Exchange must participate in point-to-point testing with the Exchange of its

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<sup>1</sup> New text is underscored.

computer systems designed to ascertain decimal pricing conversion compatibility of those computer systems, in a manner and frequency as prescribed by the Exchange. A member organization that has its electronic interface through a service provider need not participate in point-to-point testing if, by a time designated by the Exchange, (A) the service provider conducts successful tests with the Exchange on behalf of the firms it serves, (B) the member organization conducts successful point-to-point testing with the service provider and (C) the Exchange agrees that further testing is not necessary.

(2) *Industry Wide Testing.* The Exchange may require certain of its member organizations to participate in industry wide testing of computer systems for decimal pricing conversion compatibility. The Exchange may require any member organization who will participate in industry wide testing to also participate in any tests necessary to ensure preparedness to participate in industry wide testing.

(3) *Reports.* Member organizations participating in point-to-point testing (whether between the firm and the Exchange, between the firm and its service provider, or between the firm's service provider and the Exchange) or industry wide testing must file reports with the Exchange concerning the required tests in the manner and frequency required by the Exchange.

(4) *Documentation.* Member organizations must maintain adequate documentation of tests required by this Rule and the results of such testing for examination by the Exchange.

*Commentary:*

.01 This rule will expire automatically upon the full implementation of decimal pricing.