

FEDERAL TRADE COMMISSION**16 CFR Part 313****Privacy of Customer Financial Information—Security**

AGENCY: Federal Trade Commission.

ACTION: Notice of extension of comment period.

SUMMARY: The Federal Trade Commission (“Commission” or “FTC”) has extended the time for submitting comments on developing the information safeguards rule that the Commission must issue under section 501(b) of the Gramm-Leach-Bliley Act (the “G–L–B Act” or “Act”).

DATES: Comments must be received on or before October 24, 2000.

ADDRESSES: Written comments should be addressed to: Secretary, Federal Trade Commission, Room H–159, 600 Pennsylvania Avenue, NW., Washington, DC 20580. The Commission requests that commenters submit the original plus five copies, if feasible. Comments should also be submitted, if possible, in electronic form, on either a 5¼ or a 3½ computer disk, with a disk label stating the name of the commenter and the name version of the word processing program used to create the document. (Programs based on DOS or Windows are preferred. Files from other operating systems should be submitted in ASCII format.)

Alternatively, the Commission will accept comments submitted to the following e-mail address:

GLB501Rule@ftc.gov. Those commenters submitting comments by e-mail are advised to confirm receipt by consulting the postings on the Commission’s website at www.ftc.gov. In addition, commenters submitting comments by e-mail are requested to indicate whether they are also providing their comments in other formats. Individuals need not submit multiple copies or comments in electronic form. All submissions should be captioned “G–L–B Act Privacy Safeguards Rule Comment.”

FOR FURTHER INFORMATION CONTACT: Laura Berger, Attorney, Division of Financial Practices, Federal Trade Commission, Washington, DC 20580, 202–326–3224.

SUPPLEMENTARY INFORMATION: On September 7, 2000, the FTC sought comment on developing the rule that Section 501(b) of the G–L–B Act requires it to establish for financial institutions subject to its jurisdiction. The Rule will establish standards pertaining to administrative, technical, and physical safeguards for nonpublic customer records and information.

(“Safeguard Rule”). 65 FR 54186. As required by the G–L–B Act, the Safeguards Rule will seek to bolster the security and confidentiality of customer records and information, to protect against any anticipated threats or hazards to their security or integrity, and to protect against unauthorized access to or use of such records or information which could result in substantial harm or inconvenience to any customer. The comment period is currently scheduled to close on October 10, 2000.

The National Association for Attorneys General has asked that the comment period be extended to enable the Association to consult its members and complete a comment on the Safeguards Rule. The Commission is mindful of the need to develop a proposed Safeguards Rule expeditiously. However, the Commission also is aware that the issues raised are complex and believes that the additional comments that may result justify a short extension of the comment period.

Accordingly, the Commission has decided to extend the comment period to October 24, 2000.

By Direction of the Commission.

Donald S. Clark,
Secretary.

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SECURITIES AND EXCHANGE COMMISSION**17 CFR Part 240**

[Release No. 34–43401; File No. S7–18–00]

RIN 3235–AH94

Processing Requirements for Cancelled Security Certificates

AGENCY: Securities and Exchange Commission.

ACTION: Proposed rulemaking.

SUMMARY: The Commission is publishing for comment proposed rules to improve the processing of securities certificates by transfer agents. Proposed Rule 17Ad–19 under the Securities Exchange Act of 1934 would require every transfer agent to establish and implement written procedures for the cancellation, storage, transportation, and destruction of securities certificates. The rule would also require transfer agents to: Mark each cancelled securities certificate with the word “cancelled”; maintain a secure storage area for cancelled certificates; have

specific procedures for the destruction of cancelled certificates, and maintain an electronic database of all of its cancelled certificates. Additionally, the Commission proposes to codify that Rules 17f–1 (the lost and stolen securities rule) and 17Ad–12 (the transfer agent safekeeping rule) apply to cancelled certificates.

DATES: Comments should be received on or before December 5, 2000.

ADDRESSES: Comments should be submitted in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549–0609. Comment letters should refer to File No. S7–18–00. All comment letters received will be made available for public inspection and copying in the Commission’s Public Reference Room, 450 Fifth Street, NW., Washington, DC 20549–0102.

Comments also may be submitted electronically at the following E-mail address: *rule_comments@sec.gov*. All comment letters should refer to File Number S7–18–00, this file number should be included on the subject line if E-mail is used. Comment letters will be available for inspection and copying in the public reference room at the same address. Electronically submitted comment letters will be posted on the Commission’s Internet web site (<http://www.sec.gov>).

FOR FURTHER INFORMATION CONTACT: Jerry W. Carpenter, Assistant Director, or Thomas C. Etter, Jr., Special Counsel, at (202) 942–4187, Division of Market Regulation, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549–1001.

SUPPLEMENTARY INFORMATION**I. Introduction**

In this release, we propose rules to require transfer agents to establish written procedures for the cancellation, storage, transportation, and destruction of securities certificates. Additionally, we propose to require the tracking of securities in transit between reporting institutions; to set a time frame for making inquiries about possible lost, stolen, missing, or counterfeit securities certificates; and to define related terms in the transfer agent rules. The amendments would clarify that cancelled certificates fall within the Commission’s Lost and Stolen Securities Program and that they must be safeguarded.¹

¹ In a separate release, we have proposed to allow registered transfer agents to use electronic media and microfiche for recordkeeping purposes. By providing more flexibility for the storage of cancelled certificates, transfer agents could destroy certificates at the time they are cancelled thereby