



# Federal Register

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**Tuesday,  
May 27, 2003**

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**Part LXII**

**Securities and  
Exchange  
Commission**

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**Semiannual Regulatory Agenda**

**SECURITIES AND EXCHANGE COMMISSION (SEC)**

**SECURITIES AND EXCHANGE COMMISSION**

**17 CFR Ch. II**

[Release Nos. 33-8217, 34-47606, 35-27663, 39-2406, IA-2121, IC-25987, File No. S7-08-03]

**Regulatory Flexibility Agenda**

**AGENCY:** Securities and Exchange Commission.

**ACTION:** Semiannual regulatory agenda.

**SUMMARY:** The Securities and Exchange Commission is publishing an agenda of its rulemaking actions, pursuant to the Regulatory Flexibility Act. Information in the agenda was accurate on April 1, 2003, the date on which the Commission's staff completed compilation of the data. To the extent possible, rulemaking actions by the Commission since that date have been reflected in the agenda. The Commission invites questions and public comment on the agenda and on the individual agenda entries. The Commission provides notice under section 610 of the Regulatory Flexibility Act.

**DATES:** Public comments are due by June 27, 2003.

**ADDRESSES:** Persons wishing to submit written comments should file three copies of their comments with Jonathan

G. Katz, Secretary, Securities and Exchange Commission, 450 5th Street NW., Washington, DC 20549-0609. All submissions should refer to File No. S7-08-03 and will be available for public inspection and copying at the Commission's Public Reference Room, Room 1026, at the same address. Interested persons may also submit comments electronically at the following e-mail address: rule-comments@sec.gov. The Commission does not edit personal identifying information, such as names or electronic mail addresses, from electronic submissions. Interested persons submitting comments should only submit information that they wish to make publicly available.

**FOR FURTHER INFORMATION CONTACT:** David R. Fredrickson or Constancio B. Cater, Office of the General Counsel, 202-942-0890.

**SUPPLEMENTARY INFORMATION:** The Regulatory Flexibility Act (RFA) (Pub. L. No. 96-354, 94 Stat. 1164) (September 19, 1980) requires each Federal agency, during April and October of each year, to publish in the **Federal Register** an agenda identifying rules which the agency expects to propose or adopt that are likely to have a significant economic impact on a substantial number of small entities (5 U.S.C. 602(a)). The RFA specifically provides that publication of the agenda does not preclude an agency

from considering or acting on any matter not included in the agenda and that an agency is not required to consider or act on any matter that is included in the agenda (5 U.S.C. 602(d)). The agenda includes new entries, entries carried over from previous publications, and rulemaking actions that have been completed (or withdrawn) since publication of the last agenda.

The following abbreviations for the acts administered by the Commission are used in the agenda:

“Securities Act” - Securities Act of 1933

“Exchange Act” - Securities Exchange Act of 1934

“PUHCA” - Public Utility Holding Company Act of 1935

“Investment Company Act” - Investment Company Act of 1940

“Investment Advisers Act” - Investment Advisers Act of 1940

The Commission's regulatory flexibility agenda is set forth below. The Commission invites public comment on the agenda and on the individual agenda entries.

**Dated:** April 1, 2003. By the Commission.

**Margaret H. McFarland,**  
*Deputy Secretary.*

**DIVISION OF CORPORATION FINANCE—Proposed Rule Stage**

Sequence Number	Title	Regulation Identification Number
4164	Industry Guide 3—Statistical Disclosure by Bank Holding Companies .....	3235-AI10
4165	Asset-Backed Securities Disclosure .....	3235-AF74
4166	Streamlining Rule 144 .....	3235-AH13
4167	Electronic Signatures Act and Information Delivery Under the Securities Act of 1933 .....	3235-AI82
4168	Revision of Multijurisdictional Disclosure System .....	3235-AH99
4169	Financial Reporting and Blank Check Companies .....	3235-AH88
4170	Lock-Up Agreements .....	3235-AI09
4171	Securities Act Communications Reform .....	3235-AI11
4172	Certification of Disclosure in Certain Exchange Act Reports .....	3235-AI79
4173	Proxy Disclosure Regarding Executive Compensation and Related Party Transactions .....	3235-AI80
4174	Treatment of Foreign Banks Under Section 402 of the Sarbanes-Oxley Act .....	3235-AI81

**DIVISION OF CORPORATION FINANCE—Final Rule Stage**

Sequence Number	Title	Regulation Identification Number
4175	Form 8-K Disclosure of Certain Management Transactions .....	3235-AI43
4176	Disclosure in Management's Discussion and Analysis Regarding the Application of Critical Accounting Policies .....	3235-AI44

## SEC

## DIVISION OF CORPORATION FINANCE—Final Rule Stage (Continued)

Sequence Number	Title	Regulation Identification Number
4177	Mandated Electronic Filing and Website Posting for Forms 3, 4, and 5 .....	3235-AI26
4178	Defining "Qualified Purchasers" .....	3235-AI25
4179	Additional Form 8-K Disclosure Requirements and Acceleration of Filing Date .....	3235-AI47
4180	Disclosure Required by Sections 404, 406, and 407 of the Sarbanes-Oxley Act of 2002 .....	3235-AI66

## DIVISION OF CORPORATION FINANCE—Completed Actions

Sequence Number	Title	Regulation Identification Number
4181	Sections 401(b) and 409 of the Sarbanes-Oxley Act of 2002 .....	3235-AI69
4182	Exemption for Standardized Options From Provisions of the Securities Act of 1933 and From the Registration Requirements of the Securities Exchange Act of 1934 .....	3235-AI55
4183	Sarbanes-Oxley Rulemaking for Disclosure in Management's Discussion and Analysis About Off-Balance Sheet Arrangements .....	3235-AI70
4184	Insider Trades During Pension Fund Blackout Periods .....	3235-AI71
4185	Standards Relating to Listed Company Audit Committees .....	3235-AI75

## DIVISION OF INVESTMENT MANAGEMENT—Proposed Rule Stage

Sequence Number	Title	Regulation Identification Number
4186	Books and Records To Be Maintained by Investment Advisers .....	3235-AH24
4187	Principal Transactions With Investment Advisory Clients .....	3235-AH34
4188	Certain Thrift Institutions Deemed Not To Be Investment Advisers .....	3235-AI16
4189	Exemption From Registration for Certain Commodity Pool Operators .....	3235-AI29
4190	Exemption To Permit Investment Companies To Invest in Other Investment Companies .....	3235-AI30
4191	Substitution of Funds Underlying Variable Insurance Products .....	3235-AI58
4192	Amendments to Registration Form and Rules for Registration of Certain Investment Company Securities .....	3235-AI84
4193	Exemption From Shareholder Approval for Certain Subadvisory Contracts .....	3235-AH80
4194	Amendments to Form N-SAR, Semiannual Report of Registered Investment Companies .....	3235-AF93
4195	Amendments to the Cash Solicitation Rule .....	3235-AH33
4196	Rulemaking for EDGAR System .....	3235-AI18
4197	Investment in Money Market Funds .....	3235-AI45
4198	Regional Transmission Organizations and Independent Transmission Companies .....	3235-AI27
4199	Exemptions From Section 17(c) of the Public Utility Holding Company Act Regarding Officers and Directors of Registered Holding Companies .....	3235-AI59

## DIVISION OF INVESTMENT MANAGEMENT—Final Rule Stage

Sequence Number	Title	Regulation Identification Number
4200	Custody or Possession of Funds or Securities of Clients .....	3235-AH26
4201	Certain Broker-Dealers Deemed Not To Be Investment Advisers .....	3235-AH78
4202	Amendments to Form ADV .....	3235-AI17
4203	Compliance Programs of Investment Companies and Investment Advisers .....	3235-AI77
4204	Shareholder Report and Financial Statement Revisions .....	3235-AG64
4205	Proposed Amendments to Investment Company Advertising Rules .....	3235-AH19
4206	Certain Research and Development Companies .....	3235-AI57
4207	PUHCA: Exemption for Certain Acquisitions of Foreign Utility Companies; Subsidiaries Authorized To Perform Services or Construction or To Sell Goods .....	3235-AF78

## SEC

## DIVISION OF INVESTMENT MANAGEMENT—Long-Term Actions

Sequence Number	Title	Regulation Identification Number
4208	Political Contributions by Certain Investment Advisers .....	3235-AH72
4209	Insurance Products: Equity Index Insurance Products Concept Release .....	3235-AH23

## DIVISION OF INVESTMENT MANAGEMENT—Completed Actions

Sequence Number	Title	Regulation Identification Number
4210	Exemption for Certain Investment Advisers Operating Through the Internet .....	3235-AI15
4211	Transactions of Investment Companies With Portfolio and Subadviser Affiliates .....	3235-AI28
4212	Disclosure of Proxy Voting Policies and Results by Investment Companies .....	3235-AI64
4213	Certification of Disclosure in Management Investment Companies' Reports to Shareholders .....	3235-AI63
4214	Proxy Voting Policies and Procedures for Investment Advisers .....	3235-AI65
4215	Custody of Investment Company Assets With a Securities Depository .....	3235-AG71
4216	Disclosure of Costs and Expenses for Variable Annuities .....	3235-AI39

## DIVISION OF INVESTMENT MANAGEMENT—Discontinued Entries

Regulation Identification Number	Title	Date	Comments
3235-AH93	Exemption From Section 101(c)(1) of the Electronic Signatures in Global and National Commerce Act for Registered Investment Companies	05/01/2003	Withdrawn

## DIVISION OF MARKET REGULATION—Prerule Stage

Sequence Number	Title	Regulation Identification Number
4217	Request for Comment on NYSE Petition for Amending the CTA and CQ Plans so as To Delete the Participants' Fee Exemptions .....	3235-AI78
4218	Net Capital Requirements for Brokers or Dealers—Definition of the Term Nationally Recognized Statistical Rating Organization .....	3235-AH28

## DIVISION OF MARKET REGULATION—Proposed Rule Stage

Sequence Number	Title	Regulation Identification Number
4219	Risk Assessment Recordkeeping and Reporting Requirement .....	3235-AH06
4220	Concept Release: Short Sales .....	3235-AH84
4221	Amendments to the Penny Stock Rules in Light of the Electronic Signatures in Global and National Commerce Act	3235-AI02
4222	Definition of Terms in and Specific Exemptions for Banks, Savings Associations, and Savings Banks Under Sections 3(a)(4) and 3(a)(5) of the Securities and Exchange Act of 1934 .....	3235-AI19

## DIVISION OF MARKET REGULATION—Final Rule Stage

Sequence Number	Title	Regulation Identification Number
4223	Rule 15c3-3 Reserve Requirements for Margin Related to Security Futures Products .....	3235-AI61
4224	Broker-Dealer Exemption From Sending Certain Financial Information to Customers .....	3235-AI68
4225	Purchases of Certain Equity Securities by the Issuer and Others .....	3235-AH37
4226	Tender and Reorganization Agents .....	3235-AH53

## SEC

## DIVISION OF MARKET REGULATION—Final Rule Stage (Continued)

Sequence Number	Title	Regulation Identification Number
4227	Publication or Submission of Quotations Without Specified Information .....	3235-AH40
4228	Processing Requirements for Cancelled Securities Certificates .....	3235-AH54

## DIVISION OF MARKET REGULATION—Long-Term Actions

Sequence Number	Title	Regulation Identification Number
4229	Registration Requirements for Banks Acting as Brokers or Dealers in Security Futures Products .....	3235-AI83

## DIVISION OF MARKET REGULATION—Completed Actions

Sequence Number	Title	Regulation Identification Number
4230	Amendment to Rule 15c3-3 To Expand the Categories of Permissible Collateral .....	3235-AI51
4231	Research Analyst Certification .....	3235-AI60
4232	Repeal of Rule 11Ac1-7 Under the Securities Exchange Act of 1934 .....	3235-AI52

## DIVISION OF MARKET REGULATION—Discontinued Entries

Regulation Identification Number	Title	Date	Comments
3235-AI48	Structural Change in the Settlement of Government Securities: Issues and Options	05/01/2003	Withdrawn

## OFFICES AND OTHER PROGRAMS—Proposed Rule Stage

Sequence Number	Title	Regulation Identification Number
4233	Proposal to Amend Disclosure Requirements Related to Derivative Financial Instruments and Derivative Commodity Instruments .....	3235-AH98

## OFFICES AND OTHER PROGRAMS—Final Rule Stage

Sequence Number	Title	Regulation Identification Number
4234	Supplemental Financial Information .....	3235-AH86
4235	Rules Regarding Improper Influence on the Conduct of Audits .....	3235-AI67
4236	Implementation of Standards of Professional Conduct for Attorneys .....	3235-AI72

## OFFICES AND OTHER PROGRAMS—Long-Term Actions

Sequence Number	Title	Regulation Identification Number
4237	International Accounting Standards .....	3235-AH65

SEC

OFFICES AND OTHER PROGRAMS—Completed Actions

Sequence Number	Title	Regulation Identification Number
4238	Rule to Strengthen the Commission's Requirements Regarding Auditor Independence .....	3235-AI73
4239	Rules on Retention of Records Relevant to Audits and Reviews Implementing Section 802 of the Sarbanes-Oxley Act of 2002 .....	3235-AI74

OFFICES AND OTHER PROGRAMS—Discontinued Entries

Regulation Identification Number	Title	Date	Comments
3235-AI56	Revision of the Commission's Auditor Independence Regulations and Related Disclosure Requirements	05/01/2003	Withdrawn

Securities and Exchange Commission (SEC)

Proposed Rule Stage

Division of Corporation Finance

**4164. INDUSTRY GUIDE 3—  
STATISTICAL DISCLOSURE BY BANK  
HOLDING COMPANIES**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 5 USC 77a et seq; 5 USC 78a et seq

**CFR Citation:** 17 CFR 229; 17 CFR 231; 17 CFR 241

**Legal Deadline:** None

**Abstract:** The Division is considering recommending that the Commission propose amendments to Securities Act Industry Guide 3 and Exchange Act Industry Guide 3, Statistical Disclosure by Banking Holding Companies, to update them and apply them more broadly to registrants engaging in lending, investing, or deposit-taking activities, in addition to banks and bank holding companies. The revisions also would likely take into account changes in financial reporting rules and the increasingly diverse lending and investing activities that expose registrants to credit risk.

**Timetable:**

Action	Date
NPRM	10/00/03

**Regulatory Flexibility Analysis Required:** Undetermined

**Government Levels Affected:** None

**Agency Contact:** Carol Stacey, Securities and Exchange Commission, Division of Corporation Finance

Phone: 202 942-2960

**RIN:** 3235-AI10

**4165. ASSET-BACKED SECURITIES  
DISCLOSURE**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 77e; 15 USC 78o; 15 USC 78w; 15 USC 77f; 15 USC 77g; 15 USC 77h; 15 USC 77j; 15 USC 77s; 15 USC 78l; 15 USC 78m; 15 USC 78n

**CFR Citation:** 17 CFR 229; 17 CFR 230; 17 CFR 239; 17 CFR 240; 17 CFR 249

**Legal Deadline:** None

**Abstract:** The Division of Corporation Finance is considering whether to recommend to the Commission amendments to revise rules and forms, which would specify disclosure requirements for asset-backed securities transactions.

**Timetable:**

Action	Date
NPRM	09/00/03

**Regulatory Flexibility Analysis Required:** Undetermined

**Government Levels Affected:** Undetermined

**Agency Contact:** Jeffrey Minton, Division of Corporation Finance, Securities and Exchange Commission, 450 5th Street NW, Washington, DC 20549

Phone: 202 942-2910

**RIN:** 3235-AF74

**4166. STREAMLINING RULE 144**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 77a et seq

**CFR Citation:** 17 CFR 230.144

**Legal Deadline:** None

**Abstract:** The Commission proposed revisions to Rule 144, Rule 145, and Form 144 to make the rules and form easier to understand and apply. The Division is considering recommending that the Commission repropose amendments that would, among other things, add a bright line test to the Rule 144 definition of affiliate, increase the Form 144 filing thresholds, and codify certain interpretive positions.

**Timetable:**

Action	Date
NPRM	02/20/97 62 FR 9246
NPRM Comment Period End	04/29/97
Second NPRM	08/00/03

**Regulatory Flexibility Analysis Required:** Yes

**Small Entities Affected:** Businesses

**Government Levels Affected:** None

**Agency Contact:** Raymond A. Be, Office of Rulemaking, Division of Corporation Finance, Securities and Exchange Commission

## SEC—Division of Corporation Finance

## Proposed Rule Stage

Phone: 202 942-2910

RIN: 3235-AH13

#### 4167. ● ELECTRONIC SIGNATURES ACT AND INFORMATION DELIVERY UNDER THE SECURITIES ACT OF 1933

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 77z-3; 15 USC 78c(b)

**CFR Citation:** 17 CFR 230.405

**Legal Deadline:** None

**Abstract:** The Division of Corporation Finance is considering whether to recommend to the Commission an amendment to the definition of the term “graphic communication” in Securities Rule 405 to codify the Commission’s long-standing position that the information delivery requirements of the Securities Act of 1933 may be satisfied through the use of electronic media.

**Timetable:**

Action	Date
NPRM	05/00/03

**Regulatory Flexibility Analysis Required:** Undetermined

**Government Levels Affected:** None

**Agency Contact:** Mark Borges, Special Counsel, Securities and Exchange Commission, 450 Fifth Street NW, Washington, DC 20549  
Phone: 202 942-2910

RIN: 3235-AI82

#### 4168. REVISION OF MULTIJURISDICTIONAL DISCLOSURE SYSTEM

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 77a et seq; 15 USC 78a et seq; 15 USC 78aaa et seq

**CFR Citation:** 17 CFR 230; 17 CFR 239; 17 CFR 240

**Legal Deadline:** None

**Abstract:** The Division is considering recommending that the Commission propose revisions to the Multijurisdictional Disclosure System for Canadian registrants that would integrate them into the Commission’s

foreign issuer disclosure system in a manner more consistent with all other foreign registrants. The proposals would limit the scope of the MJDS, including the number of companies eligible to use the system and the circumstances under which they may use it, while preserving MJDS filers’ ability to make offerings in the United States using Canadian offering documents and without review by Commission staff.

**Timetable:**

Action	Date
NPRM	07/00/03

**Regulatory Flexibility Analysis Required:** Undetermined

**Small Entities Affected:** No

**Government Levels Affected:** Undetermined

**Agency Contact:** Mary Cascio, Office of International Corporate Finance, Division of Corporation Finance, Securities and Exchange Commission, 450 5th Street NW, Washington, DC 20549

Phone: 202 942-2990

Fax: 202 942-9624

RIN: 3235-AH99

#### 4169. FINANCIAL REPORTING AND BLANK CHECK COMPANIES

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 78a et seq

**CFR Citation:** 17 CFR 249.308

**Legal Deadline:** None

**Abstract:** The Division is considering recommending that the Commission propose amendments to Form 8-K that would remove the grace period for filing financial statements in a blank check company merger.

**Timetable:**

Action	Date
NPRM	07/00/03

**Regulatory Flexibility Analysis Required:** Yes

**Small Entities Affected:** Businesses

**Government Levels Affected:** None

**Agency Contact:** Kevin O’Neill, Division of Corporation Finance, Securities and Exchange Commission  
Phone: 202 942-2950

Fax: 202 942-9516

RIN: 3235-AH88

#### 4170. LOCK-UP AGREEMENTS

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 77a et seq; 15 USC 78a et seq

**CFR Citation:** 17 CFR 230; 17 CFR 240

**Legal Deadline:** None

**Abstract:** The Division is considering recommending that the Commission propose a new rule under the Securities Act to clarify how to register securities that acquiring companies issue to certain target security holders who enter into lock-up agreements in connection with acquisition transactions. The Division also would consider recommending corresponding exemptions from certain Exchange Act rules to allow for the execution of lock-up agreements without violation of the applicable rules.

**Timetable:**

Action	Date
NPRM	10/00/03

**Regulatory Flexibility Analysis Required:** Undetermined

**Government Levels Affected:** None

**Agency Contact:** Pamela Carmody, Securities and Exchange Commission, Division of Corporation Finance  
Phone: 202 942-2920

RIN: 3235-AI09

#### 4171. SECURITIES ACT COMMUNICATIONS REFORM

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 5 USC 77a et seq

**CFR Citation:** Not Yet Determined

**Legal Deadline:** None

**Abstract:** The Division is considering recommending that the Commission propose modifications to the Securities Act restrictions on communications by issuers and underwriters around the time of an offering. The Division is focusing on the section 5 restrictions on pre-filing offers and free writing and the Securities Act rules that permit limited types of communication during those periods. The Division is also considering whether changes would be appropriate to the limitations on communications in certain exempt offerings. Finally, the Division is

## SEC—Division of Corporation Finance

## Proposed Rule Stage

examining the requirements for delivery of final prospectuses.

**Timetable:**

Action	Date
NPRM	10/00/03

**Regulatory Flexibility Analysis Required:** Undetermined

**Government Levels Affected:** None

**Agency Contact:** Andrew Thorpe, Special Counsel, Securities and Exchange Commission, 450 5th Street NW, Washington, DC 20549  
Phone: 202 942-2910

**RIN:** 3235-AI11

**4172. • CERTIFICATION OF DISCLOSURE IN CERTAIN EXCHANGE ACT REPORTS**

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 78m; 15 USC 78o(d); 15 USC 78mm; 15 USC 80a-8; 15 USC 80a-29; 15 USC 80a-37

**CFR Citation:** 17 CFR 228.601; 17FR 229.601; 17 CFR 240.13a-14; 17 CFR 240.13a-15; 17 CFR 240.15D-14; 17 CFR 240.15D-15; 17 CFR 270.30a-2; 17 CFR 270.30a-3; 17 CFR 232.302

**Legal Deadline:** None

**Abstract:** The Division of Corporation Finance is considering whether to recommend to the Commission amendments to rules and forms under the Securities Exchange Act of 1934 and Investment Company Act of 1940 to require issuers to provide the certifications required by sections 302 and 906 of the Sarbanes-Oxley Act of 2002 as exhibits to the periodic reports to which they relate.

**Timetable:**

Action	Date
NPRM	05/00/03

**Regulatory Flexibility Analysis**

**Required:** Yes

**Small Entities Affected:** Businesses

**Government Levels Affected:** None

**Agency Contact:** Mark Borges, Special Counsel, Securities and Exchange Commission, 450 Fifth Street NW, Washington, DC 20549  
Phone: 202 942-2910

**RIN:** 3235-AI79

**4173. • PROXY DISCLOSURE REGARDING EXECUTIVE COMPENSATION AND RELATED PARTY TRANSACTIONS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** Not Yet Determined

**CFR Citation:** Not Yet Determined

**Legal Deadline:** None

**Abstract:** The Division of Corporation Finance is considering whether to recommend that the Commission propose amendments that would enhance disclosure regarding executive compensation, the independence of a registrant's board of directors, related party transactions between executive officers and directors, and related party transactions concerning related party transaction with an issuer.

**Timetable:**

Action	Date
NPRM	08/00/03

**Regulatory Flexibility Analysis Required:** Undetermined

**Government Levels Affected:** None

**Agency Contact:** Kim McManus, Securities and Exchange Commission, 450 5th Street NW, Washington, DC 20549  
Phone: 202 942-2910

**RIN:** 3235-AI80

**4174. • TREATMENT OF FOREIGN BANKS UNDER SECTION 402 OF THE SARBANES-OXLEY ACT**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** Not Yet Determined

**CFR Citation:** Not Yet Determined

**Legal Deadline:** None

**Abstract:** The Division of Corporation Finance is considering whether to recommend that the Commission propose an Exchange Act rule that would exempt qualified foreign banks from the insider lending prohibitions of Exchange Act section 13(k). Section 402 of the Sarbanes-Oxley Act imposed these prohibitions on both domestic and foreign issuers. However, it also created an exemption for federally insured banks that are subject to the insider lending restrictions under the Federal Reserve Act and its corresponding regulations. Since foreign banks do not qualify for this exemption as currently written, the proposed Exchange Act rule would extend this exemption to foreign banks that meet specified criteria similar to those that exempt domestic banks under section 402.

**Timetable:**

Action	Date
NPRM	07/00/03

**Regulatory Flexibility Analysis Required:** Undetermined

**Government Levels Affected:** None

**Agency Contact:** Elliot Staffin, Special Counsel, Securities and Exchange Commission, Division of Corporation Finance  
Phone: 202 942-2990

**RIN:** 3235-AI81

## Securities and Exchange Commission (SEC)

## Final Rule Stage

## Division of Corporation Finance

**4175. FORM 8-K DISCLOSURE OF CERTAIN MANAGEMENT TRANSACTIONS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 77a et seq; 15 USC 78a et seq

**CFR Citation:** 17 CFR 230.144; 17 CFR 239.12; 17 CFR 239.13; 17 CFR 239.16b; 17 CFR 249.308

**Legal Deadline:** None

**Abstract:** The Commission proposed amendments that would require some public companies to file current reports on Form 8-K describing: Directors' and

executive officers' transactions in company equity securities, directors' and executive officers' arrangements for the purchase and sale of company equity securities, and loans of money to a director or executive officer made or guaranteed by the company or an affiliate of the company. In Release 34-46313, the Commission stated that, in



## SEC—Division of Corporation Finance

## Final Rule Stage

light of the Sarbanes-Oxley Act of 2002 amendment of section 16(a) of the Securities Exchange Act of 1934, the Commission does not intend to consider further proposed Form 8-K reporting of directors' and executive officers' transactions in company equity securities. The Division continues to consider the proposed Form 8-K reporting of directors' and executive officers' arrangements for the purchase and sale of company equity securities and company loans and loan guarantees to directors and executive officers that are not prohibited by the Sarbanes-Oxley Act.

**Timetable:**

Action	Date
NPRM	04/23/02 67 FR 19914
NPRM Comment Period End	06/24/02
Final Action	05/00/03

**Regulatory Flexibility Analysis****Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None

**Agency Contact:** Anne M. Krauskopf, Special Counsel, Securities and Exchange Commission, 450 5th Street NW, Washington, DC 20549  
Phone: 202 942-2910

**RIN:** 3235-AI43**4176. DISCLOSURE IN MANAGEMENT'S DISCUSSION AND ANALYSIS REGARDING THE APPLICATION OF CRITICAL ACCOUNTING POLICIES**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 77a et seq; 15 USC 78a et seq

**CFR Citation:** 17 CFR 228.303; 17 CFR 229.303

**Legal Deadline:** None

**Abstract:** The Commission proposed rule provisions to require a company to discuss the application of its critical accounting policies. The proposals would encompass both critical accounting estimates that a company makes and the initial adoption by a company of an accounting policy with a material impact on its financial presentation. The new disclosure would be included in the MD&A section of a company's annual reports, registration statements, and proxy and

information statements and would be updated quarterly.

**Timetable:**

Action	Date
NPRM	05/20/02 67 FR 35620
NPRM Comment Period End	07/19/02
Final Action	06/00/03

**Regulatory Flexibility Analysis****Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None

**Agency Contact:** Andrew Thorpe, Special Counsel, Securities and Exchange Commission, 450 5th Street NW, Washington, DC 20549  
Phone: 202 942-2910

**RIN:** 3235-AI44**4177. MANDATED ELECTRONIC FILING AND WEBSITE POSTING FOR FORMS 3, 4, AND 5**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 77a et seq; 15 USC 77aaa et seq; 15 USC 78a et seq; 15 USC 79a et seq; 15 USC 80a-1 et seq; PL 107-204, sec 3(a)

**CFR Citation:** 17 CFR 230; 17 CFR 232; 17 CFR 239; 17 CFR 240; 17 CFR 249 to 250; 17 CFR 259 to 260; 17 CFR 269; 17 CFR 274

**Legal Deadline:** Final, Statutory, July 30, 2003, Sarbanes-Oxley Act of 2002.

**Abstract:** The Commission proposed rule and form amendments to mandate the electronic filing and website posting by issuers with corporate websites of beneficial ownership reports filed by officers, directors, and principal security holders under section 16(a) of the Sarbanes-Oxley Act of 2002. The Commission is also implementing changes to the EDGAR system in order to facilitate electronic filing. In addition, the Commission proposed rule changes to eliminate magnetic cartridges as a means of electronic filing. The intended general effect of the proposals is to facilitate compliance with the will of Congress, as reflected in amended section 16(a), and to facilitate the more efficient transmission, dissemination, analysis, storage, and retrieval of insider ownership and transaction information in a manner that will benefit investors, filers, and the Commission.

**Timetable:**

Action	Date
NPRM	12/27/02 67 FR 79466
NPRM Comment Period End	02/10/03
Final Action	05/00/03

**Regulatory Flexibility Analysis****Required:** Undetermined**Government Levels Affected:** None

**Agency Contact:** Mark W. Green, Senior Special Counsel, Securities and Exchange Commission, Washington, DC 20549  
Phone: 202 942-1940  
Fax: 202 942-9624

**RIN:** 3235-AI26**4178. DEFINING "QUALIFIED PURCHASERS"**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 78r**CFR Citation:** Not Yet Determined**Legal Deadline:** None

**Abstract:** The Commission proposed amendments to Rule 146 to provide a definition of "qualified purchaser" to fully implement the "covered securities" portion of section 18 of the Securities Act of 1933.

**Timetable:**

Action	Date
NPRM	12/27/01 66 FR 66839
NPRM Comment Period End	02/25/02
Final Action	09/00/03

**Regulatory Flexibility Analysis****Required:** Undetermined**Small Entities Affected:** No**Government Levels Affected:** None

**Agency Contact:** Marva Simpson, Special Counsel, Securities and Exchange Commission, Washington, DC 20549  
Phone: 202 942-2950  
Fax: 202 942-9516

**RIN:** 3235-AI25**4179. ADDITIONAL FORM 8-K DISCLOSURE REQUIREMENTS AND ACCELERATION OF FILING DATE**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 78 et seq

## SEC—Division of Corporation Finance

Final Rule Stage

**CFR Citation:** Not Yet Determined**Legal Deadline:** None

**Abstract:** The Commission proposed amendments to Form 8-K to add several new disclosure items to Form 8-K, amend many of the existing Form 8-K disclosure items, shorten the Form 8-K filing deadline to 2 business days, and reorganize the disclosure items into logical categories.

**Timetable:**

Action	Date
NPRM	06/25/02 67 FR 42914
NPRM Comment Period End	08/26/02
Final Action	05/00/03

**Regulatory Flexibility Analysis****Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None

**Agency Contact:** Raymond A. Be, Office of Rulemaking, Division of Corporation Finance, Securities and Exchange Commission  
Phone: 202 942-2910

**RIN:** 3235-AI47**4180. • DISCLOSURE REQUIRED BY SECTIONS 404, 406, AND 407 OF THE SARBANES-OXLEY ACT OF 2002****Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 77e, 77f, 77g, 77j, 77q, 77z-3; 15 USC 78l, 78m, 78o, 78w, 78mm; secs 3(a), 406, and 407 of the Sarbanes-Oxley Act of 2002

**CFR Citation:** 17 CFR 228.401; 17 CFR 228-406; 17 CFR 228.601; 17 CFR 229.401; 17 CFR 229.406; 17 CFR 229.601; ...

**Legal Deadline:** Final, Statutory, January 26, 2003.  
Sarbanes-Oxley Act of 2002.

**Abstract:** The Commission adopted rules relating to sections 406 and 407 of the Sarbanes-Oxley Act of 2002. The proposed rules would require companies to include in their Exchange Act filings: (1) Disclosure regarding whether a company had adopted a code of ethics that applies to certain senior officers and (2) disclosure regarding whether a company has an audit committee financial expert serving on its audit committee. The Commission

continues to consider the adoption of rules relating to section 404 of the Sarbanes-Oxley Act.

**Timetable:**

Action	Date
NPRM	10/30/02 67 FR 66208
NPRM Comment Period End	11/29/02
Final Action for 406 and 407 Rules	01/31/03 68 FR 5110
Final Action Effective	03/03/03
Final Action for 404 Rules	05/00/03

**Regulatory Flexibility Analysis****Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None

**Agency Contact:** Raymond A. Be, Office of Rulemaking, Division of Corporation Finance, Securities and Exchange Commission  
Phone: 202 942-2910

**RIN:** 3235-AI66

## Securities and Exchange Commission (SEC)

Completed Actions

## Division of Corporation Finance

**4181. • SECTIONS 401(B) AND 409 OF THE SARBANES-OXLEY ACT OF 2002****Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 77b; 15 USC 77f; 15 USC 77g; 15 USC 77h; 15 USC 77s; 15 USC 77z-3; 15 USC 78c; 15 USC 78d; 15 USC 78j; 15 USC 78L; 15 USC 78m; 15 USC 78o; 15 USC 78w; 15 USC 78mm

**CFR Citation:** 17 CFR 228.10; 17 CFR 229.10; 17 CFR 244.100; 17 CFR 244.101; 17 CFR 244.102;; 17 CFR 249.308

**Legal Deadline:** Final, Statutory, January 26, 2003.  
Sarbanes-Oxley Act of 2002.

**Abstract:** The Commission adopted new rules and amendments to implement section 401(b) of the Sarbanes-Oxley Act of 2002, regarding use of pro forma financial information. Additionally, consistent with section 409 of Sarbanes-Oxley Act the Commission adopted a new requirement for companies to furnish earnings announcement or release on Form 8-K.

**Timetable:**

Action	Date
NPRM	11/13/02 67 FR 68790
NPRM Comment Period End	12/13/02
Final Action	01/30/03 68 FR 4820
Final Action Effective	03/28/03

**Regulatory Flexibility Analysis****Required:** No**Government Levels Affected:** None

**Agency Contact:** Joseph P. Babits, Division of Corporation Finance, Securities and Exchange Commission  
Phone: 202 942-2910

**RIN:** 3235-AI69**4182. EXEMPTION FOR STANDARDIZED OPTIONS FROM PROVISIONS OF THE SECURITIES ACT OF 1933 AND FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES EXCHANGE ACT OF 1934****Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 77z-3; 15 USC 78l(h); 15 USC 78w(3); 15 USC 78mm

**CFR Citation:** 17 CFR 230.238; 17 CFR 240.9b-1; 17 CFR 240.12a-9; 17 CFR 240.12h-1

**Legal Deadline:** None

**Abstract:** The Commission adopted amendments that exempt transactions in most standardized options from provisions of the Securities Act of 1933 and from the registration requirements of the Securities and Exchange Act of 1934.

**Timetable:**

Action	Date
NPRM	08/01/02 67 FR 50326
NPRM Comment Period End	09/03/02
Final Action	01/02/03 68 FR 188
Final Action Effective	01/02/03

**Regulatory Flexibility Analysis****Required:** No**Government Levels Affected:** None

**Agency Contact:** Sean Harrison, Securities and Exchange Commission, 450 5th Street NW, Washington, DC 20549

## SEC—Division of Corporation Finance

## Completed Actions

Phone: 202 942-2910

RIN: 3235-AI55

**4183. • SARBANES-OXLEY RULEMAKING FOR DISCLOSURE IN MANAGEMENT'S DISCUSSION AND ANALYSIS ABOUT OFF-BALANCE SHEET ARRANGEMENTS****Priority:** Substantive, Nonsignificant. Major under 5 USC 801.**Legal Authority:** 15 USC 77a et seq; 15 USC 78a et seq**CFR Citation:** 17 CFR 228.303; 17 CFR 229.303; 17 CFR 249.220f; 17 CFR 249.240f**Legal Deadline:** Final, Statutory, January 26, 2003.

Sarbanes-Oxley Act of 2002.

**Abstract:** On January 28, 2003, the Commission adopted rule amendments mandated by section 401(a) of the Sarbanes-Oxley Act of 2002. The rules require a public company to provide in the "Management's Discussion and Analysis" section of its Commission filings: (1) A discussion of off-balance sheet arrangements and (2) a table of payments under specified contractual obligations due in short- and long-term periods.**Timetable:**

Action	Date
NPRM	11/08/02 67 FR 68054
NPRM Comment Period End	12/09/02
Final Action	02/05/03 68 FR 5982
Final Action Effective	04/07/03

**Regulatory Flexibility Analysis****Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None**Agency Contact:** Andrew Thorpe, Special Counsel, Securities and Exchange Commission, 450 5th Street NW, Washington, DC 20549  
Phone: 202 942-2910

RIN: 3235-AI70

**4184. • INSIDER TRADES DURING PENSION FUND BLACKOUT PERIODS****Priority:** Substantive, Nonsignificant**Legal Authority:** secs 3, 13, 23(a), and 36 of Exchange Act; secs 30 and 38 of Investment Company Act; secs 3(a) and 306(a) of Sarbanes-Oxley Act**CFR Citation:** 17 CFR 245.100 to 245.104**Legal Deadline:** Final, Statutory, January 26, 2003, Sarbanes-Oxley Act of 2002.**Abstract:** The Commission adopted Regulation BTR, which clarifies the application and prevents evasion of section 306(a) of Sarbanes-Oxley Act of 2002.**Timetable:**

Action	Date
NPRM	11/15/02 67 FR 69430
NPRM Comment Period End	12/16/02
Final Action Effective	01/26/03
Final Action	01/28/03 68 FR 4338

**Regulatory Flexibility Analysis****Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None**Agency Contact:** Mark Borges, Special Counsel, Securities and Exchange Commission, 450 Fifth Street NW, Washington, DC 20549  
Phone: 202 942-2910

RIN: 3235-AI71

**4185. • STANDARDS RELATING TO LISTED COMPANY AUDIT COMMITTEES****Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.**Legal Authority:** 15 USC 77b; 15 USC 77f; 15 USC 77g; 15 USC 77h; 15 USC 77j; 15 USC 77q; 15 USC 77s; 15 USC 78c; 15 USC 78 j-1; 15 USC 78l; 15 USC 78m; 15 USC 78n; 15 USC 78o;

15 USC 78w; 15 USC 78mm; 15 USC 80a-8; 15 USC 80a-20; 15 USC 80a-24; 15 USC 80A-29; 15 USC 80a-37; 15 USC 7202

**CFR Citation:** 17 CFR 228; 17 CFR 229; 17 CFR 240; 17 CFR 249; 17 CFR 274**Legal Deadline:** Final, Statutory, April 26, 2003.

Sarbanes-Oxley Act of 2002.

**Abstract:** Pursuant to section 10A(m) of the Securities Act of 1934, as added by section 301 of the Sarbanes-Oxley Act of 2002, the Commission must, by rule, direct the national securities exchanges and national securities associations to prohibit the listing of any security of an issuer that is not in compliance with the audit committee requirements established in section 10A(m).**Timetable:**

Action	Date
NPRM	01/17/03 68 FR 2638
NPRM Comment Period End	02/18/03
Final Action	04/16/03 68 FR 18788
Final Action Effective	04/25/03

**Regulatory Flexibility Analysis****Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None**Agency Contact:** Jeffrey Minton, Division of Corporation Finance, Securities and Exchange Commission, 450 5th Street NW, Washington, DC 20549

Phone: 202 942-2910

RIN: 3235-AI75

**Securities and Exchange Commission (SEC)**  
**Division of Investment Management**

Proposed Rule Stage

**4186. BOOKS AND RECORDS TO BE MAINTAINED BY INVESTMENT ADVISERS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 80b-4; 15 USC 80b-6(4); 15 USC 80b-11(a)

**CFR Citation:** 17 CFR 275.204-2

**Legal Deadline:** None

**Abstract:** The Division of Investment Management is considering recommending that the Commission update the books and records requirements for investment advisers.

**Timetable:**

Action	Date
NPRM	09/00/03

**Regulatory Flexibility Analysis Required:** Undetermined

**Government Levels Affected:** Undetermined

**Agency Contact:** Don L. Evans, Office of Investment Adviser Regulation, Division of Investment Management, Securities and Exchange Commission Phone: 202 942-0719

**RIN:** 3235-AH24

**4187. PRINCIPAL TRANSACTIONS WITH INVESTMENT ADVISORY CLIENTS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 80b-6a

**CFR Citation:** 17 CFR 275

**Legal Deadline:** None

**Abstract:** The Division of Investment Management is considering recommending that the Commission revise the conditions under which investment advisers may enter into principal transactions with their clients.

**Timetable:**

Action	Date
NPRM	01/00/04

**Regulatory Flexibility Analysis Required:** Undetermined

**Government Levels Affected:** Undetermined

**Agency Contact:** Jennifer L. Sawin, Office of Investment Adviser Regulation, Division of Investment

Management, Securities and Exchange Commission  
Phone: 202 942-0719

**RIN:** 3235-AH34

**4188. CERTAIN THRIFT INSTITUTIONS DEEMED NOT TO BE INVESTMENT ADVISERS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 80b-2(a)(11)(F)

**CFR Citation:** 17 CFR 275

**Legal Deadline:** None

**Abstract:** The Division of Investment Management is considering recommending a proposal to the Commission to except from the definition of investment adviser thrift institutions providing investment advice to certain clients.

**Timetable:**

Action	Date
NPRM	05/00/03

**Regulatory Flexibility Analysis Required:** Undetermined

**Government Levels Affected:** Undetermined

**Agency Contact:** Jennifer L. Sawin, Office of Investment Adviser Regulation, Division of Investment Management, Securities and Exchange Commission Phone: 202 942-0719

**RIN:** 3235-AI16

**4189. EXEMPTION FROM REGISTRATION FOR CERTAIN COMMODITY POOL OPERATORS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 80b-6a

**CFR Citation:** 17 CFR 275.203(b)(6)-1

**Legal Deadline:** None

**Abstract:** The Division of Investment Management is considering recommending that the Commission propose a rule exempting certain commodity pool operators from investment adviser registration and addressing issues related to the Commodity Futures Modernization Act amendments to the Investment Adviser Act.

**Timetable:**

Action	Date
NPRM	10/00/03

**Regulatory Flexibility Analysis Required:** Undetermined

**Government Levels Affected:** None

**Agency Contact:** Daniel Seth Kahl, Office of Investment Adviser Regulation, Division of Investment Management, Securities and Exchange Commission Phone: 202 942-0719

**RIN:** 3235-AI29

**4190. EXEMPTION TO PERMIT INVESTMENT COMPANIES TO INVEST IN OTHER INVESTMENT COMPANIES**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 80a-6(c); 15 USC 80a-12(d)(1)(j)

**CFR Citation:** 17 CFR 12d1-1, 12d1-2, 12d1-3

**Legal Deadline:** None

**Abstract:** The Division of Investment Management is considering recommending to the Commission new rules that would (i) allow investment companies to purchase securities issued by money market funds in excess of limits on those investments under the Investment Company Act of 1940 and (ii) alleviate certain investment and other restrictions on investment companies that invest in other investment companies ("fund of funds").

**Timetable:**

Action	Date
NPRM	05/00/03

**Regulatory Flexibility Analysis Required:** Undetermined

**Government Levels Affected:** None

**Agency Contact:** Penelope W. Saltzman, Office of Regulatory Policy, Division of Investment Management, Securities and Exchange Commission, 450 Fifth Street NW, Washington, DC 20549-0506 Phone: 202 942-0690

**RIN:** 3235-AI30

## SEC—Division of Investment Management

## Proposed Rule Stage

**4191. SUBSTITUTION OF FUNDS UNDERLYING VARIABLE INSURANCE PRODUCTS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** Not Yet Determined

**CFR Citation:** Not Yet Determined

**Legal Deadline:** None

**Abstract:** The Division of Investment Management is considering whether to recommend that the Commission propose a rule to permit substitutions of funds underlying variable insurance products without a Commission approval order under section 26(c) of the Investment Company Act and related relief from section 17(a) for in-kind transactions in connection with the substitutions.

**Timetable:**

Action	Date
NPRM	10/00/03

**Regulatory Flexibility Analysis**

**Required:** Undetermined

**Government Levels Affected:** Undetermined

**Federalism:** Undetermined

**Agency Contact:** Keith Carpenter, Division of Investment Management, Securities and Exchange Commission  
Phone: 202 942-0679

**RIN:** 3235-AI58

**4192. • AMENDMENTS TO REGISTRATION FORM AND RULES FOR REGISTRATION OF CERTAIN INVESTMENT COMPANY SECURITIES**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 80a-24; 15 USC 80a-37; 15 USC 77f; 15 USC 77h; 15 USC 77j; 15 USC 77s(a)

**CFR Citation:** 17 CFR 230; 17 CFR 270; 17 CFR 274

**Legal Deadline:** None

**Abstract:** The Division of Investment Management is considering recommending that the Commission amend the rule and the form under the Investment Company Act of 1940 that prescribe the method by which certain investment companies calculate and pay registration fees under the Securities Exchange Act of 1933 and Rule 457 under the Securities Act that

allows for the offset of registration fees in cases of overpayment. The amendments would make clear that funds must pay interest on late filings at the time of the late filing, allow funds to use excess filing fees resulting from erroneous over payments with Form 24F-2 filings as an offset against future registration fees due with Form 24F-2 filings, and make technical corrections to the form.

**Timetable:**

Action	Date
NPRM	07/00/03

**Regulatory Flexibility Analysis**

**Required:** Undetermined

**Government Levels Affected:** None

**Agency Contact:** Ruth Armfield Sanders, Division of Investment Management, Securities and Exchange Commission  
Phone: 202 942-0633

**RIN:** 3235-AI84

**4193. EXEMPTION FROM SHAREHOLDER APPROVAL FOR CERTAIN SUBADVISORY CONTRACTS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 80a-6(c)

**CFR Citation:** Not Yet Determined

**Legal Deadline:** None

**Abstract:** The Division of Investment Management is considering recommending to the Commission a new rule to allow certain types of funds or their investment advisers to enter into subadvisory agreements for investment management services without obtaining shareholder approval.

**Timetable:**

Action	Date
NPRM	05/00/03

**Regulatory Flexibility Analysis**

**Required:** Undetermined

**Government Levels Affected:** Undetermined

**Agency Contact:** Adam B. Glazer, Office of Regulatory Policy, Division of Investment Management, Securities and Exchange Commission  
Phone: 202 942-0690

**RIN:** 3235-AH80

**4194. AMENDMENTS TO FORM N-SAR, SEMIANNUAL REPORT OF REGISTERED INVESTMENT COMPANIES**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 78n; 15 USC 78o(d); 15 USC 78w(a); 15 USC 80a-8; 15 USC 80a-29; 15 USC 80a-37

**CFR Citation:** 17 CFR 249.330; 17 CFR 274.101

**Legal Deadline:** None

**Abstract:** The Division of Investment Management is considering whether to recommend that the Commission amend Form N-SAR, the semiannual report for registered investment companies, to update the items of the form.

**Timetable:**

Action	Date
NPRM	08/00/03

**Regulatory Flexibility Analysis**

**Required:** Undetermined

**Government Levels Affected:** Undetermined

**Agency Contact:** Carolyn A. Miller, Office of Financial Analysis, Division of Investment Management, Securities and Exchange Commission  
Phone: 202 942-0510

**RIN:** 3235-AF93

**4195. AMENDMENTS TO THE CASH SOLICITATION RULE**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 80b-4; 15 USC 80b-6; 15 USC 80-11(a)

**CFR Citation:** 17 CFR 275.206(4)-3

**Legal Deadline:** None

**Abstract:** The Division of Investment Management is considering whether to recommend revisions to the cash solicitation rule.

**Timetable:**

Action	Date
NPRM	09/00/03

**Regulatory Flexibility Analysis**

**Required:** Undetermined

**Government Levels Affected:** Undetermined

**Agency Contact:** Jennifer L. Sawin, Office of Investment Adviser

## SEC—Division of Investment Management

## Proposed Rule Stage

Regulation, Division of Investment Management, Securities and Exchange Commission

Phone: 202 942-0719

RIN: 3235-AH33

#### 4196. RULEMAKING FOR EDGAR SYSTEM

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 77f; 15 USC 77g; 15 USC 77h; 15 USC 77j; 15 USC 77s(a); 15 USC 78c; 15 USC 781; 15 USC 78m; 15 USC 78n; 15 USC 78o(d); 15 USC 78w(a); 15 USC 78ll; 15 USC 77sss; 15 USC 79c; 15 USC 79e; 15 USC 79f; 15 USC 79g; 15 USC 79j; 15 USC 79l; 15 USC 79m; 15 USC 79n; 15 USC 79q; 15 USC 79t; 15 USC 80a-8; 15 USC 80a-29; 15 USC 80a-30; 15 USC 80a-37

**CFR Citation:** 17 CFR 232.101 to 232.601

**Legal Deadline:** None

**Abstract:** In connection with the ongoing modernization of the Electronic Data Gathering, Analysis, and Retrieval (EDGAR) system, the Division is considering recommending that the Commission propose amendments to existing rules and forms to make technical and clarifying corrections and to expand the categories of mandatory electronic filings and to identify series and classes for certain investment company filings.

#### Timetable:

Action	Date
NPRM	12/00/03

**Regulatory Flexibility Analysis Required:** Undetermined

**Government Levels Affected:** None

**Agency Contact:** Ruth Armfield Sanders, Senior Special Counsel, Division of Investment Management, Securities and Exchange Commission  
Phone: 202 942-0633

RIN: 3235-AI18

#### 4197. INVESTMENT IN MONEY MARKET FUNDS

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 80a-6(c); 15 USC 80a 37(a)

**CFR Citation:** Not Yet Determined

**Legal Deadline:** None

**Abstract:** The Division of Investment Management is considering whether to recommend that the Commission propose a new rule that would permit a company to treat money market fund shares as cash items for purposes of determining whether the company is an investment company under the Investment Company Act of 1940.

#### Timetable:

Action	Date
NPRM	11/00/03

**Regulatory Flexibility Analysis Required:** Undetermined

**Government Levels Affected:** None

**Agency Contact:** Sarah Ackerson, Securities and Exchange Commission, 450 5th Street NW, Washington, DC 20549  
Phone: 202 942-2910

RIN: 3235-AI45

#### 4198. REGIONAL TRANSMISSION ORGANIZATIONS AND INDEPENDENT TRANSMISSION COMPANIES

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 79c

**CFR Citation:** 17 CFR 250.18; 17 CFR 250.40; 17 CFR 250.44; 17 CFR 250.6

**Legal Deadline:** None

**Abstract:** The Division of Investment Management is considering recommending a proposal to the Commission to deem an "independent transmission company" as defined by the rule not to be a "subsidiary," "company," or "affiliate" of a registered holding company. The rule is intended to facilitate the Federal Energy Regulatory Commission's Order

No. 2000, Regional Transmission Organizations.

#### Timetable:

Action	Date
NPRM	04/00/04

**Regulatory Flexibility Analysis Required:** No

**Small Entities Affected:** No

**Government Levels Affected:** None

**Agency Contact:** Victoria J. Adraktas, Office of Public Utility Regulation, Division of Investment Management, Securities and Exchange Commission  
Phone: 202 942-0545  
Email: adraktasv@sec.gov

RIN: 3235-AI27

#### 4199. EXEMPTIONS FROM SECTION 17(C) OF THE PUBLIC UTILITY HOLDING COMPANY ACT REGARDING OFFICERS AND DIRECTORS OF REGISTERED HOLDING COMPANIES

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 79q(c)

**CFR Citation:** 17 CFR 250.70

**Legal Deadline:** None

**Abstract:** The Division of Investment Management is considering whether to recommend that the Commission propose revisions to existing Rule 70 to update the exemptions to reflect current industry conditions.

#### Timetable:

Action	Date
NPRM	04/00/04

**Regulatory Flexibility Analysis Required:** Undetermined

**Small Entities Affected:** No

**Government Levels Affected:** None

**Agency Contact:** David B. Smith, Securities and Exchange Commission, Office of Public Utility Regulation, Division of Investments Management, Washington, DC 20549  
Phone: 202 942-0525

RIN: 3235-AI59

## Securities and Exchange Commission (SEC)

Final Rule Stage

## Division of Investment Management

**4200. CUSTODY OR POSSESSION OF FUNDS OR SECURITIES OF CLIENTS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 80b-3(c)(1); 15 USC 80b-4; 15 USC 80b-11(a); 15 USC 80b-6(4)

**CFR Citation:** 17 CFR 275.206(4)-2

**Legal Deadline:** None

**Abstract:** The Commission proposed revisions to the custody rule under the Investment Advisers Act of 1940. The proposed amendments are designed to conform the rule to modern custodial practices and enhance protections for client assets while reducing burdens on advisers that have custody of client assets.

**Timetable:**

Action	Date
NPRM	07/25/02 67 FR 48579
NPRM Comment Period End	09/25/02
Final Action	05/00/03

**Regulatory Flexibility Analysis**

**Required:** Yes

**Small Entities Affected:** Businesses

**Government Levels Affected:** None

**Agency Contact:** Vivian Liu, Office of Investment Adviser Regulation, Division of Investment Management, Securities and Exchange Commission  
Phone: 202 942-0719

**RIN:** 3235-AH26

**4201. CERTAIN BROKER-DEALERS DEEMED NOT TO BE INVESTMENT ADVISERS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 80b-2(a)(11)(F); 15 USC 80b-11(a)

**CFR Citation:** 17 CFR 275.202(a)(11)-1

**Legal Deadline:** None

**Abstract:** The Commission has proposed new Rule 202(a)(11)-1, which would exempt from the definition of investment adviser those broker-dealers offering nondiscretionary, full-service brokerage programs so long as the investment advice provided is solely incidental to the brokerage services and other conditions are satisfied.

**Timetable:**

Action	Date
NPRM	11/10/99 64 FR 61226
NPRM Comment Period End	01/14/00
Final Action	06/00/03

**Regulatory Flexibility Analysis**

**Required:** Yes

**Small Entities Affected:** Businesses

**Government Levels Affected:** None

**Agency Contact:** Jennifer L. Sawin, Office of Investment Adviser Regulation, Division of Investment Management, Securities and Exchange Commission  
Phone: 202 942-0719

**RIN:** 3235-AH78

**4202. AMENDMENTS TO FORM ADV**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 80b-4, 80b-6(4), 80bll(a), 80b-3(c)(1); 15 USC 77s(a); 15 USC 78(a), 78bbb(e)(2); 15 USC 77sss(a); 15 USC 78(s)-37(a)

**CFR Citation:** 17 CFR 275.204-2; 17 CFR 275.204-3; 17 CFR 275.206(4)-4; 17 CFR 279.1

**Legal Deadline:** None

**Abstract:** In 2000, the Commission proposed amendments to Form ADV and related rules to create an electronic filing system for investment advisers and to improve the quality of information that advisers must provide to clients and prospective clients. The proposed amendments to Form ADV and the final amendments to part 1 of Form ADV were published under RIN 3235-AD21. The Commission deferred adoption of the final amendments to part 2 of Form ADV. Final action on amendments to part 2 of the Form ADV (and related rules), if approved by the Commission, will be published under the new RIN.

**Timetable:**

Action	Date
NPRM	04/05/00 65 FR 20524
NPRM Comment Period End	06/13/00
Final Action	07/00/03

**Regulatory Flexibility Analysis**

**Required:** Yes

**Small Entities Affected:** Businesses

**Government Levels Affected:** None

**Agency Contact:** Daniel Seth Kahl, Office of Investment Adviser Regulation, Division of Investment Management, Securities and Exchange Commission  
Phone: 202 942-0719

**RIN:** 3235-AI17

**4203. • COMPLIANCE PROGRAMS OF INVESTMENT COMPANIES AND INVESTMENT ADVISERS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 80a-30(a); 15 USC 80a-37(a); 15 USC 80b-6; 15 USC 80b-11; 15 USC 80b-4

**CFR Citation:** 17 CFR 270.38a-1 (New); 17 CFR 275.204-2; 17 CFR 275.206(4)-7

**Legal Deadline:** None

**Abstract:** The Commission proposed new Rule 38a-1 under the Investment Company Act, new Rule 206(4)-7 under the Investment Advisers Act, and amendments to Rule 204-2 under the Investment Advisers Act to require each investment company and investment adviser to: (i) Adopt and implement policies and procedures reasonably designed to prevent violations of the Federal securities laws, (ii) review those policies and procedures annually, (iii) appoint a chief compliance officer, and (iv) maintain certain compliance records.

**Timetable:**

Action	Date
NPRM	02/11/03 68 FR 7038
NPRM Comment Period End	04/18/03
Final Action	10/00/03

**Regulatory Flexibility Analysis**

**Required:** Yes

**Small Entities Affected:** Businesses

**Government Levels Affected:** Undetermined

**Agency Contact:** Hester M. Peirce, Office of Regulatory Policy, Division of Investment Management, Securities and Exchange Commission  
Phone: 202 942-0690

**RIN:** 3235-AI77

## SEC—Division of Investment Management

## Final Rule Stage

**4204. SHAREHOLDER REPORT AND FINANCIAL STATEMENT REVISIONS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 77e, 77f, 77g, 77h, 77j, 77s(a), 77z-3, 78j(b), 78l, 78m, 78o(d), 78w(a); 15 USC 80a-6(c), 80a-8, 80a-24(a), 80a-29, 80a-30, 80a-37

**CFR Citation:** 17 CFR 210.6-10; 17 CFR 210.12-12C; 17 CFR 239.14; 17 CFR 239.15A; 17 CFR 239.17; 17 CFR 249.33; 17 CFR 270.30b1-4; 17 CFR 274.11A; 17 CFR 274.11a-1; 17 CFR 274.11b; 17 CFR 274.128; 17 CFR 274.129

**Legal Deadline:** None

**Abstract:** The Commission proposed rule and form amendments to improve the periodic disclosure provided by registered management investment companies about their portfolio investments, costs, and past performance, including amendments that would require quarterly disclosure of portfolio holdings.

**Timetable:**

Action	Date
NPRM	01/02/03 68 FR 160
NPRM Comment Period End	02/14/03
Final Action	06/00/03

**Regulatory Flexibility Analysis**

**Required:** Undetermined

**Government Levels Affected:**

Undetermined

**Agency Contact:** Katy Mobedshahi, Division of Investment Management, Securities and Exchange Commission Phone: 202 942-0721

**RIN:** 3235-AG64

**4205. PROPOSED AMENDMENTS TO INVESTMENT COMPANY ADVERTISING RULES**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 77b; 15 USC 77e; 15 USC 77f; 15 USC 77g; 15 USC 77j; 15 USC 77s(a); 15 USC 77z-3; 15 USC 80a-8; 15 USC 78j(b); 15 USC 78w(a); 15 USC 80a-8; 15 USC 80a-24; 15 USC 80a-29; 15 USC 80a-33; 15 USC 80a-37; ...

**CFR Citation:** 17 CFR 230.482; 17 CFR 230.134; 17 CFR 230.156; 17 CFR 239.15A; 17 CFR 239.17a; 17 CFR

239.17b; 17 CFR 270.34b-1; 17 CFR 274.11A; 17 CFR 274.11b; 17 CFR 274.11c; 17 CFR 274.11d; ...

**Legal Deadline:** None

**Abstract:** The Commission proposed to amend Rule 482, to permit fund advertisements that are not subject to restrictions limiting the content of the advertisement to information "the substance of which" is in a fund's prospectus. The Commission also proposed amendments that would require enhanced disclosure in fund advertisements.

**Timetable:**

Action	Date
NPRM	05/24/02 67 FR 36712
NPRM Comment Period End	07/31/02
Final Action	05/00/03

**Regulatory Flexibility Analysis**

**Required:** Yes

**Small Entities Affected:** Businesses

**Government Levels Affected:**

Undetermined

**Agency Contact:** David Schwartz, Division of Investment Management, Securities and Exchange Commission Phone: 202 942-0721

**RIN:** 3235-AH19

**4206. CERTAIN RESEARCH AND DEVELOPMENT COMPANIES**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 80a-6(c); 15 USC 80a-37(a)

**CFR Citation:** 17 CFR 270.3a-8

**Legal Deadline:** None

**Abstract:** The Commission has proposed new Rule 3a-8 under the Investment Company Act of 1940 that would provide a safe harbor from investment company status for certain research and development companies.

**Timetable:**

Action	Date
NPRM	12/03/02 67 FR 71915
NPRM Comment Period End	01/15/03
Final Action	06/00/03

**Regulatory Flexibility Analysis**

**Required:** Yes

**Small Entities Affected:** Businesses

**Government Levels Affected:** None

**Agency Contact:** Karen Goldstein, Division of Investment Management, Securities and Exchange Commission Phone: 202 942-0646

**RIN:** 3235-AI57

**4207. PUHCA: EXEMPTION FOR CERTAIN ACQUISITIONS OF FOREIGN UTILITY COMPANIES; SUBSIDIARIES AUTHORIZED TO PERFORM SERVICES OR CONSTRUCTION OR TO SELL GOODS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 79e; 15 USC 79f(b); 15 USC 79i(c)(3); 15 USC 79t; 15 USC 79z-5a; 15 USC 79z-5b; 15 USC 79j; 15 USC 79l; 15 USC 79m; 15 USC 79n; 15 USC 79o

**CFR Citation:** 17 CFR 250.55 (New); 17 CFR 250.87 (Revision); 17 CFR 259.5s (Revision); 17 CFR 259.207 (Revision)

**Legal Deadline:** None

**Abstract:** Proposed rule 55 is intended to provide a safe harbor for those acquisitions of one or more foreign utility companies by a registered holding company that meet specified criteria. Proposed rule 56, previously considered in RIN 3235-AF79, clarifies that a subsidiary of a registered holding company that is engaged exclusively in the business of owning an interest in one or more foreign utility companies will be deemed a foreign utility company. The proposed amendment to rule 87 would require registered holding companies to obtain Commission approval of intrasystem agreements involving foreign utility companies and exempt wholesale generators.

**Timetable:**

Action	Date
NPRM	03/15/93 58 FR 13719
NPRM Comment Period End	04/14/93
Second NPRM	02/07/01 66 FR 9247
Second NPRM Comment Period End	04/09/01
Final Action	04/00/04

**Regulatory Flexibility Analysis**

**Required:** No

**Small Entities Affected:** No

**Government Levels Affected:** None

**Additional Information:** Related to RIN 3235-AF79



## SEC—Division of Investment Management

## Final Rule Stage

**Agency Contact:** Alberto Zapata,  
Division of Investment Management,  
Securities and Exchange Commission

Phone: 202 942-0545

**RIN:** 3235-AF78

**Securities and Exchange Commission (SEC)  
Division of Investment Management**

## Long-Term Actions

**4208. POLITICAL CONTRIBUTIONS BY  
CERTAIN INVESTMENT ADVISERS**

**Priority:** Substantive, Nonsignificant.  
Major status under 5 USC 801 is  
undetermined.

**Legal Authority:** 15 USC 206(4); 15  
USC 211(a); 15 USC 204

**CFR Citation:** 17 CFR 275

**Legal Deadline:** None

**Abstract:** The Commission has  
proposed new Rule 206(4)-5, which  
would prohibit an investment adviser  
from providing advisory services for  
compensation to a Government client  
for 2 years after the adviser or any of  
its partners, executive officers, or  
solicitors makes a contribution to  
certain elected officials or candidates.

The Commission also has proposed rule  
amendments that would require a  
registered adviser that has Government  
clients to maintain certain records of  
the political contributions made by the  
adviser or any of its partners, executive  
officers, or solicitors.

**Timetable:**

Action	Date
NPRM	08/10/99 64 FR 43556

Action	Date
NPRM Comment Period End	11/01/99
Final Action	06/00/04

**Regulatory Flexibility Analysis  
Required:** Yes

**Small Entities Affected:** Businesses

**Government Levels Affected:** None

**Agency Contact:** Jennifer L. Sawin,  
Office of Investment Adviser  
Regulation, Division of Investment  
Management, Securities and Exchange  
Commission  
Phone: 202 942-0719

**RIN:** 3235-AH72

**4209. INSURANCE PRODUCTS:  
EQUITY INDEX INSURANCE  
PRODUCTS CONCEPT RELEASE**

**Priority:** Substantive, Nonsignificant.  
Major status under 5 USC 801 is  
undetermined.

**Legal Authority:** 15 USC 77a et seq

**CFR Citation:** 17 CFR 230.151

**Legal Deadline:** None

**Abstract:** The Commission issued a  
release requesting public comment on

the structure of equity index insurance  
products, the manner in which they are  
marketed, and any other matters the  
Commission should consider in  
addressing Federal securities law issues  
raised by equity index insurance  
products.

**Timetable:**

Action	Date
ANPRM	08/27/97 62 FR 45359
ANPRM Comment Period End	11/20/97
NPRM	11/21/97 62 FR 62273
NPRM Comment Period End	01/05/98
Next Action Undetermined	

**Regulatory Flexibility Analysis  
Required:** No

**Small Entities Affected:** No

**Government Levels Affected:**  
Undetermined

**Agency Contact:** William Kotapish,  
Division of Investment Management,  
Securities and Exchange Commission  
Phone: 202 942-0670

**RIN:** 3235-AH23

**Securities and Exchange Commission (SEC)  
Division of Investment Management**

## Completed Actions

**4210. EXEMPTION FOR CERTAIN  
INVESTMENT ADVISERS OPERATING  
THROUGH THE INTERNET**

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 80b-3a(c)

**CFR Citation:** 17 CFR 275.203A-2(f)

**Legal Deadline:** None

**Abstract:** The Commission adopted  
new Rule 203A-2(f), which permits  
certain investment advisers operating  
through the Internet to register with the  
Commission.

**Timetable:**

Action	Date
NPRM	04/19/02 67 FR 19500

Action	Date
NPRM Comment Period End	06/06/02
Final Action	12/18/02 67 FR 77620
Final Action Effective	01/20/03

**Regulatory Flexibility Analysis  
Required:** Yes

**Small Entities Affected:** Businesses

**Government Levels Affected:** None

**Agency Contact:** Marilyn Barker,  
Office of Investment Adviser  
Regulation, Division of Investment  
Management, Securities and Exchange  
Commission  
Phone: 202 942-0719

**RIN:** 3235-AI15

**4211. TRANSACTIONS OF  
INVESTMENT COMPANIES WITH  
PORTFOLIO AND SUBADVISER  
AFFILIATES**

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 80a-6(c); 15  
USC 80a-10(f); 15 USC 80-17(b); 15  
USC 80a-17(d); 15 USC 80a-30(a); 15  
USC 80a 37(a)

**CFR Citation:** 17 CFR 270.10f-3; 17  
CFR 270.12d3-1; 17 CFR 270.17a-6; 17  
CFR 270.17a-10; 17 CFR 270.17d-1; 17  
CFR 270.17e-1

**Legal Deadline:** None

**Abstract:** The Commission adopted one  
rule and amendments to five existing  
rules to expand the circumstances

## SEC—Division of Investment Management

## Completed Actions

under which a registered investment company may engage in transactions and joint enterprises with certain affiliated persons and affiliated persons of affiliated persons of the investment company.

**Timetable:**

Action	Date
NPRM	05/08/02 67 FR 31081
NPRM Comment Period End	07/19/02
Final Action	01/22/03 68 FR 2142
Final Action Effective	02/24/03

**Regulatory Flexibility Analysis****Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None

**Agency Contact:** William C. Middlebrooks, Jr., Attorney, Office of Regulatory Policy, Securities and Exchange Commission, 450 5th Street NW, Washington, DC 20549-0506  
Phone: 202 942-0690

**RIN:** 3235-AI28**4212. DISCLOSURE OF PROXY VOTING POLICIES AND RESULTS BY INVESTMENT COMPANIES****Priority:** Substantive, Nonsignificant. Major under 5 USC 801.

**Legal Authority:** 15 USC 77e to 77g; 15 USC 77J; 15 USC 77S(a); 15 USC 77z-3; 15 USC 80a-8; 15 USC 80-24a; 15 USC 80a-29; 15 USC 80a-30; 15 USC 80a-37

**CFR Citation:** 17 CFR 239.14; 17 CFR 239.15A; 17 CFR 239.17a; 17 CFR 249.331; 17 CFR 270.30b1-4; 17 CFR 274.11A; 17 CFR 274.11a-1; 17 CFR 274.11b; 17 CFR 274.129

**Legal Deadline:** None

**Abstract:** The Commission adopted amendments that require registered management investment companies to disclose their policies and procedures that they use to determine how to vote proxies of portfolio securities. The amendments also require the investment companies to file with the Commission and to make available to shareholders the specific proxy votes that they cast.

**Timetable:**

Action	Date
NPRM	09/26/02 67 FR 60828
NPRM Comment Period End	12/06/02

Action	Date
Final Action	02/07/03 68 FR 6564
Final Action Effective	04/14/03

**Regulatory Flexibility Analysis****Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None

**Agency Contact:** Christian Broadbent, Attorney-Adviser, Securities and Exchange Commission, 450 Fifth Street NW, Washington, DC 20549  
Phone: 202 942-7972

**RIN:** 3235-AI64**4213. CERTIFICATION OF DISCLOSURE IN MANAGEMENT INVESTMENT COMPANIES' REPORTS TO SHAREHOLDERS****Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 78j(b), 78m, 78o(d), 78w(a), 78mm; 15 USC 80a-6(c), 80a-8, 80a-24(a), 80a-29, and 80a-37; PL 107-204, 116 Stat 745 (2002)

**CFR Citation:** 17 CFR 240.12b-25; 17 CFR 240.13a-15; 17 CFR 240.15d-15; 17 CFR 249.322; 17 CFR 249.330; 17 CFR 249.331; 17 CFR 270.8b-15; 17 CFR 270.30a-1; 17 CFR 270.30a-2; 17 CFR 270.30a-3; 17 CFR 270.30b1-1; 17 CFR 270.30b1-3; 17 CFR 270.30b2-1; 17 CFR 270.30d-1; 17 CFR 2741.101; 17 CFR 274.128

**Legal Deadline:** None

**Abstract:** The Commission adopted rule and form amendments that require registered management investment companies to file certified shareholder reports on Form N-CSR with the Commission and designate these certified reports as reports that are required under section 13(a) and 15(d) of the Securities Exchange Act of 1934. The amendments require each registered management investment company's principal executive and financial officers to certify the information contained in these reports in the manner required by section 302 of the Sarbanes-Oxley Act of 2002. In addition, the amendments require registered management investment companies to include new disclosures on Form N-CSR or Form N-SAR to implement the requirements of sections 406 and 407 of the Sarbanes-Oxley Act.

**Timetable:**

Action	Date
NPRM	09/09/02 67 FR 57298

Action	Date
NPRM Comment Period End	10/16/02
Final Action	02/03/03 68 FR 5348
Final Action Effective	03/01/03

**Regulatory Flexibility Analysis****Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None

**Agency Contact:** John M. Faust, Office of Disclosure Regulation, Securities and Exchange Commission, Division of Investment Management, 451 5th Street NW, Washington, DC 20549  
Phone: 202 942-0721

**RIN:** 3235-AI63**4214. PROXY VOTING POLICIES AND PROCEDURES FOR INVESTMENT ADVISERS****Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 80b-2(a); 15 USC 80b-4; 15 USC 80b-6(4); 15 USC 80b-11(a)

**CFR Citation:** 17 CFR 275.204; 17 CFR 206(4)-6

**Legal Deadline:** None

**Abstract:** The staff adopted new Rule 206-4(6) and amended Rule 204-2 under the Investment Advisers Act of 1940 to require investment advisers that exercise discretionary voting authority with respect to client securities to adopt proxy voting policies and procedures.

**Timetable:**

Action	Date
NPRM	09/26/02 67 FR 60841
NPRM Comment Period End	12/06/02
Final Action	02/07/03 68 FR 6585
Final Action Effective	08/06/03

**Regulatory Flexibility Analysis****Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None

**Agency Contact:** Daniel Seth Kahl, Office of Investment Adviser Regulation, Division of Investment Management, Securities and Exchange Commission  
Phone: 202 942-0719

**RIN:** 3235-AI65

## SEC—Division of Investment Management

## Completed Actions

**4215. CUSTODY OF INVESTMENT COMPANY ASSETS WITH A SECURITIES DEPOSITORY****Priority:** Substantive, Nonsignificant**Legal Authority:** 15 USC 80a-17(f); 15 USC 80a-06(c); 15 USC 80a-37(a)**CFR Citation:** 17 CFR 270.17f-4**Legal Deadline:** None

**Abstract:** The Commission adopted amendments to Rule 17f-4, the rule that governs investment companies' use of securities depositories. The amendments, among other things, update and simplify the rule's compliance requirements to reflect changes in commercial law, and expand the types of investment companies that can rely on the rule.

**Timetable:**

Action	Date
NPRM	11/21/01 66 FR 58412
NPRM Comment Period End	01/31/02
Final Action	02/20/03 68 FR 8438
Final Action Effective	03/28/03

**Regulatory Flexibility Analysis****Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None

**Agency Contact:** Hugh P. Lutz, Office of Regulatory Policy, Division of Investment Management, Securities and Exchange Commission  
Phone: 202 942-0690

**RIN:** 3235-AG71**4216. DISCLOSURE OF COSTS AND EXPENSES FOR VARIABLE ANNUITIES****Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 77e; 15 USC 77g; 15 USC 77h; 15 USC 77j; 15 USC 77s(a); 15 USC 80a-8; 15 USC 80a-24; 15 USC 80a-29; 15 USC 80a-37

**CFR Citation:** 17 CFR 239.17b; 17 CFR 274.11c

**Legal Deadline:** None

**Abstract:** The Commission adopted revisions to Form N-4, the registration

form for insurance company separate accounts that are registered as unit investment trusts and that offer variable annuity contracts. The amendments revise the format of the fee table of Form N-4 to require disclosure of the range of expenses for all of the mutual funds offered through the separate account.

**Timetable:**

Action	Date
NPRM	04/23/02 67 FR 19886
NPRM Comment Period End	06/14/02
Final Action	11/19/02 67 FR 69974
Final Action Effective	12/23/02

**Regulatory Flexibility Analysis****Required:** No**Small Entities Affected:** No**Government Levels Affected:** None

**Agency Contact:** Katy Mobedshahi, Division of Investment Management, Securities and Exchange Commission  
Phone: 202 942-0721

**RIN:** 3235-AI39

## Securities and Exchange Commission (SEC)

## Prerule Stage

## Division of Market Regulation

**4217. • REQUEST FOR COMMENT ON NYSE PETITION FOR AMENDING THE CTA AND CQ PLANS SO AS TO DELETE THE PARTICIPANTS' FEE EXEMPTIONS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Unfunded Mandates:** Undetermined

**Legal Authority:** 15 USC 78k-1; 17 CFR 240.11Aa-3-2

**CFR Citation:** Not Yet Determined**Legal Deadline:** None

**Abstract:** The Division is considering a recommendation that the Commission request general comments from the public on the NYSE's petition requesting that the Commission amend the CTA and CQ Plans to remove provisions that exempt CTA participants from certain charges that generally apply for the receipt and use of market data.

**Timetable:**

Action	Date
ANPRM	05/00/03

**Regulatory Flexibility Analysis****Required:** Undetermined**Government Levels Affected:** None

**Agency Contact:** Sapna C. Patel, Office of Market Supervision, Securities and Exchange Commission  
Phone: 202 942-0166  
Fax: 202 942-9695

**RIN:** 3235-AI78**4218. NET CAPITAL REQUIREMENTS FOR BROKERS OR DEALERS— DEFINITION OF THE TERM NATIONALLY RECOGNIZED STATISTICAL RATING ORGANIZATION**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 78c; 15 USC 78o; 15 USC 78q; 15 USC 78w

**CFR Citation:** 17 CFR 240.15c3-1**Legal Deadline:** None

**Abstract:** In January 2003, the Commission issued its report on the role and function of Credit Rating Agencies in the operation of the

securities markets. The report stated that the Commission plans to publish a concept release within 60 days of the report to address concerns related to credit rating agencies and expects to issue proposed rules after reviewing and evaluating the comments received on the concept release.

**Timetable:**

Action	Date
NPRM	12/30/97 62 FR 68018
NPRM Comment Period End	03/02/98
ANPRM	05/00/03

**Regulatory Flexibility Analysis****Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None

**Additional Information:** This proposal was based in part on comments received in response to a concept release (RIN 3235-AG41; 59 FR 46314), which is now combined in this rulemaking.

**Agency Contact:** Thomas K. McGowan, Office of Risk Management, Division of

## SEC—Division of Market Regulation

Prerule Stage

Market Regulation, Securities and  
Exchange Commission

Phone: 202 942-4886

Fax: 202 942-9553

RIN: 3235-AH28

## Securities and Exchange Commission (SEC)

Proposed Rule Stage

## Division of Market Regulation

**4219. RISK ASSESSMENT  
RECORDKEEPING AND REPORTING  
REQUIREMENT****Priority:** Substantive, Nonsignificant.  
Major status under 5 USC 801 is  
undetermined.**Legal Authority:** 15 USC 78a(h)**CFR Citation:** 17 CFR 240.17h-1T; 17  
CFR 240.17h-2T**Legal Deadline:** None**Abstract:** The Risk Assessment  
Recordkeeping and Reporting  
Requirements, which became effective  
September 30, 1992, following notice  
and comment, were adopted as  
temporary rules pursuant to the Market  
Reform Act of 1990. These rules  
contain recordkeeping and reporting  
requirements with regard to Material  
Associated Persons of broker-dealers.  
The Division plans to recommend that  
the Commission propose final rules  
replacing the temporary rules.**Timetable:**

Action	Date
NPRM	09/00/03

**Regulatory Flexibility Analysis  
Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None**Federalism:** Undetermined**Agency Contact:** Thomas K. McGowan,  
Office of Risk Management, Division of  
Market Regulation, Securities and  
Exchange Commission  
Phone: 202 942-4886  
Fax: 202 942-9553

RIN: 3235-AH06

**4220. CONCEPT RELEASE: SHORT  
SALES****Priority:** Substantive, Nonsignificant.  
Major status under 5 USC 801 is  
undetermined.**Legal Authority:** 15 USC 78j(a); 15 USC  
78w**CFR Citation:** 17 CFR 240.10a-1**Legal Deadline:** None**Abstract:** As part of its comprehensive  
review of Exchange Act Rule 10a-1, the  
short sale rule, the Commission  
published a concept release soliciting  
public comment on, among other  
things: Lifting the limits on short sales  
of exchange listed securities under  
advancing market conditions; providing  
an exception for actively traded  
securities; focusing short sale  
restrictions on certain market events  
and trading strategies; removing short  
sale restrictions on hedging  
transactions; revising short sale  
regulation in response to certain market  
developments; revising the definition of  
"short sale"; extending short sale  
regulation to non-exchange listed  
securities; and eliminating short sale  
regulation altogether.**Timetable:**

Action	Date
ANPRM	10/28/99 64 FR 57996
ANPRM Comment Period End	12/28/99
NPRM	07/00/03

**Regulatory Flexibility Analysis  
Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None**Agency Contact:** Gregory J. Dumark,  
Division of Market Regulation,  
Securities and Exchange Commission  
Phone: 202 942-4176  
Fax: 202 942-9695

RIN: 3235-AH84

**4221. AMENDMENTS TO THE PENNY  
STOCK RULES IN LIGHT OF THE  
ELECTRONIC SIGNATURES IN  
GLOBAL AND NATIONAL COMMERCE  
ACT****Priority:** Substantive, Nonsignificant.  
Major status under 5 USC 801 is  
undetermined.**Legal Authority:** 15 USC 78c(h); 15  
USC 78o(g)**CFR Citation:** 17 CFR 240.15g-2(c); 17  
CFR 240.15g-9(e)**Legal Deadline:** None**Abstract:** The Division is considering  
recommending to the Commission  
proposed rules 15g-2(c) and 15(g)-9(e)  
under the Exchange Act. The Division  
plans to recommend that the  
Commission propose two alternatives  
that would adapt Rules 15g-2 and 15g-  
9 to the requirements of the Electronic  
Signatures Act in slightly different  
ways. The Division is also considering  
whether to recommend that the  
Commission amend the definition of  
"penny stock" in rule 3a51-1 in light  
of the NASDAQ application to become  
a national securities exchange, and in  
light of the CFMA.**Timetable:**

Action	Date
NPRM	06/00/03

**Regulatory Flexibility Analysis  
Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None**Agency Contact:** Norman Reed,  
Securities and Exchange Commission,  
Division of Market Regulation  
Phone: 202 942-7901

RIN: 3235-AI02

**4222. DEFINITION OF TERMS IN AND  
SPECIFIC EXEMPTIONS FOR BANKS,  
SAVINGS ASSOCIATIONS, AND  
SAVINGS BANKS UNDER SECTIONS  
3(A)(4) AND 3(A)(5) OF THE  
SECURITIES AND EXCHANGE ACT OF  
1934****Priority:** Substantive, Nonsignificant**Legal Authority:** PL 106-102**CFR Citation:** 17 CFR 240.3a4-2; 17  
CFR 240.3a4-3; 17 CFR 240.3a-51; 17  
CFR 240.3b-17; 17 CFR 240.3b-18; 17  
CFR 200.30-3; 17 CFR 240.3a4-4 to  
3a4.6; 17 CFR 240.15a-7 to 15a-9; ...**Legal Deadline:** Other, Statutory, May  
12, 2001, Title II of the Gramm-Leach-  
Bliley Act required banks to shift  
certain securities activities to registered  
broker-dealers by May 12, 2001.**Abstract:** The Commission issued  
guidance to the meaning of terms  
added to the Securities Exchange Act

## SEC—Division of Market Regulation

## Proposed Rule Stage

of 1934 by the Gramm-Leach-Bliley Act of 1999. The Commission intends to amend the guidance regarding the definition of “broker” and to extend the implementation date for the guidance as necessary. The Commission amended the guidance regarding the definition of “dealer” on February 24, 2003, and extended the implementation date for the guidance regarding the definition of “dealer” until September 30, 2003.

**Timetable:**

Action	Date
Interim Final Rule	05/18/01 66 FR 27760

Action	Date
Interim Final Rule Comment Period End	07/17/01
Interim Final Rule Extended	07/24/01 66 FR 38370
Comment Period Extended	07/24/01 66 FR 38370
Comment Period End	09/04/01
Interim Final Rule Extended	05/08/02
NPRM for Dealer Rules	11/05/02 67 FR 67495
Comment Period for Dealer Rule End	12/05/02
Final Dealer Rule	02/24/03 68 FR 8686

Action	Date
NPRM for Broker Rules	07/00/03
Compliance Date for Dealer Rule	09/30/03

**Regulatory Flexibility Analysis Required: No****Government Levels Affected:** None

**Agency Contact:** Lourdes Gonzalez, Assistant Chief Counsel, Division of Market Regulation, Securities and Exchange Commission  
Phone: 202 942-0073  
Fax: 202 942-9645

**RIN:** 3235-AI19
**Securities and Exchange Commission (SEC)  
Division of Market Regulation**

## Final Rule Stage

**4223. RULE 15C3-3 RESERVE  
REQUIREMENTS FOR MARGIN  
RELATED TO SECURITY FUTURES  
PRODUCTS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 78o(c)(3); 15 USC 78w

**CFR Citation:** 17 CFR 240.15c3-3a

**Legal Deadline:** None

**Abstract:** The Division is considering recommending that the Commission adopt final amendments designed to delineate the manner in which a broker-dealer would calculate its customer reserve requirement under Rule 15c3-3a (the “Reserve Formula”) to the Exchange Act in light of enactment of the Commodity Futures Modernization Act of 2000 (“CFMA”). Specifically, the proposed amendments would set forth the Reserve Formula treatment of customer margin that a broker-dealer deposits with a clearing agency registered with the Securities and Exchange Commission or a derivatives clearing organization registered with the Commodity Futures Trading Commission to clear and settle customer transactions in security futures products conducted through securities accounts.

**Timetable:**

Action	Date
NPRM	09/23/02 67 FR 59748
NPRM Comment Period End	10/23/02
Final Action	11/00/03

**Regulatory Flexibility Analysis Required: No****Government Levels Affected:** Undetermined

**Agency Contact:** Matthew Bruce Comstock, Attorney, Securities and Exchange Commission, 450 5th Street NW, Washington, DC 20549  
Phone: 202 942-0156  
Fax: 202 942-9553

**RIN:** 3235-AI61
**4224. • BROKER-DEALER  
EXEMPTION FROM SENDING  
CERTAIN FINANCIAL INFORMATION  
TO CUSTOMERS**

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 78q(e)(1)(c)

**CFR Citation:** 17 CFR 240.17a-5

**Legal Deadline:** None

**Abstract:** The Commission proposed an amendment to Rule 17a-5(c) under the Securities Exchange Act of 1934 that would provide a conditional exemption from the Rule’s requirement that a broker-dealer that carries customer accounts send its full balance sheet to each of its customers twice a year. A broker-dealer taking advantage of the exemption would be required to post its full balance sheet to its website and provide a toll-free telephone number to call for a free copy.

**Timetable:**

Action	Date
NPRM	12/03/02 67 FR 71909

Action	Date
NPRM Comment Period End	01/02/03
Final Action	07/00/03

**Regulatory Flexibility Analysis Required: No****Government Levels Affected:** None

**Agency Contact:** Thomas K. McGowan, Office of Risk Management, Division of Market Regulation, Securities and Exchange Commission  
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**RIN:** 3235-AI68
**4225. PURCHASES OF CERTAIN  
EQUITY SECURITIES BY THE ISSUER  
AND OTHERS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 78b; 15 USC 78c; 15 USC 78i(a)(6); 15 USC 78j(b); 15 USC 78m(e); 15 USC 78o(c); 15 USC 78w(a)

**CFR Citation:** 17 CFR 240.10b-18

**Legal Deadline:** None

**Abstract:** The Commission has proposed simplifying and updating Rule 10b-18’s provisions in light of market developments since the Rule’s adoption. Rule 10b-18 provides a safe harbor from liability under the anti-manipulation provisions of sections 9(a)(2) and 10(b) of the Exchange Act, and Rule 10b-5 thereunder, for issuer purchases of its common stock made in compliance with Rule 10b-18’s

SEC—Division of Market Regulation

Final Rule Stage

manner, timing, price, and volume conditions.

**Timetable:**

Action	Date
NPRM	12/18/02 67 FR 77594
NPRM Comment Period End	02/18/03
Final Action	11/00/03

**Regulatory Flexibility Analysis**

**Required:** Undetermined

**Government Levels Affected:** None

**Agency Contact:** Joan Collopy, Office of Risk Management, Division of Market Regulation, Securities and Exchange Commission

Phone: 202 942-0772

Fax: 202 942-9695

**RIN:** 3235-AH37

**4226. TENDER AND REORGANIZATION AGENTS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 78b; 15 USC 78k-1(a)(1)(B); 15 USC 78n(d)(4); 15 USC 78o(c)(3); 15 USC 78o(c)(6); 15 USC 78q-1(a); 15 USC 78q-1(d)(1); 15 USC 78w(a)

**CFR Citation:** 17 CFR 240.17Ad-14

**Legal Deadline:** None

**Abstract:** The Commission proposed amendments to Rule 17Ad-14 under the Securities Exchange Act of 1934. The amendments would require the establishment of book-entry accounts in connection with reorganization events and would provide securities depositories with 3 business days after the expiration of a tender offer, exchange offer, or reorganization event in which to deliver physical securities certificates to the agents.

**Timetable:**

Action	Date
NPRM	09/04/98 63 FR 47209
NPRM Comment Period End	11/03/98
Final Action	09/00/03

**Regulatory Flexibility Analysis**

**Required:** Yes

**Small Entities Affected:** Businesses

**Government Levels Affected:** None

**Agency Contact:** Jennifer Amy Lucier, Attorney, Securities and Exchange Commission

Phone: 202 942-0173

Fax: 202 942-9553

**RIN:** 3235-AH53

**4227. PUBLICATION OR SUBMISSION OF QUOTATIONS WITHOUT SPECIFIED INFORMATION**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 78b; 15 USC 78c; 15 USC 78j(b); 15 USC 78o(q); 15 USC 78q(a); 15 USC 78w(a)

**CFR Citation:** 17 CFR 240.15c2-11

**Legal Deadline:** None

**Abstract:** As part of its efforts to respond to fraud and manipulation in the microcap securities market, the Division is considering recommending final amendments to Rule 15c2-11. These amendments would limit the Rule's piggyback provision and increase public availability of issuer information. The amendments would modestly expand the information review requirements for non-reporting issuers and the documentation required for significant relationships between the broker-dealer and the issuer of the security to be quoted. Finally the amendments would exclude from the rule securities of larger, more liquid issuers.

**Timetable:**

Action	Date
NPRM	02/25/98 63 FR 9661
NPRM Comment Period End	04/27/98
Second NPRM	03/08/99 64 FR 11124
Second NPRM Comment Period End	04/07/99
Second NPRM Comment Period Extended to	04/14/99 64 FR 18393
Final Action	12/00/03

**Regulatory Flexibility Analysis**

**Required:** Yes

**Small Entities Affected:** Businesses

**Government Levels Affected:** None

**Federalism:** Undetermined

**Agency Contact:** Thomas D. Eidt, Office of Risk Management and Control, Division of Market Regulation, Securities and Exchange Commission

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Fax: 202 942-0553

**RIN:** 3235-AH40

**4228. PROCESSING REQUIREMENTS FOR CANCELLED SECURITIES CERTIFICATES**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 78q-1

**CFR Citation:** 17 CFR 240.17Ad-19

**Legal Deadline:** None

**Abstract:** The Commission proposed Rule 17Ad-19 to establish regulations for the processing of cancelled securities certificates and to require each transfer agent to establish written procedures for the storage and destruction of cancelled securities certificates.

**Timetable:**

Action	Date
NPRM	10/06/00 65 FR 59766
NPRM Comment Period End	12/05/00
Final Action	05/00/03

**Regulatory Flexibility Analysis**

**Required:** Yes

**Small Entities Affected:** Businesses

**Government Levels Affected:** None

**Federalism:** Undetermined

**Agency Contact:** Thomas C. Etter Jr., Office of Risk Management and Control, Division of Market Regulation, Securities and Exchange Commission

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**RIN:** 3235-AH54

## Securities and Exchange Commission (SEC)

## Long-Term Actions

## Division of Market Regulation

**4229. • REGISTRATION REQUIREMENTS FOR BANKS ACTING AS BROKERS OR DEALERS IN SECURITY FUTURES PRODUCTS**

**Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.

**Legal Authority:** 15 USC 78o(i)

**CFR Citation:** Not Yet Determined

**Legal Deadline:** None

**Abstract:** The Division is considering recommending to the Commission proposed Rule 15i-1, which would apply the broker-dealer registration requirements of the Exchange Act to banks that act as brokers or dealers in security futures products.

**Timetable:** Next Action Undetermined

**Regulatory Flexibility Analysis Required:** No

**Government Levels Affected:** Undetermined

**Agency Contact:** Sean P. O'Malley, Special Counsel, Securities and Exchange Commission  
Phone: 202 942-0734

**RIN:** 3235-AI83

## Securities and Exchange Commission (SEC)

## Completed Actions

## Division of Market Regulation

**4230. AMENDMENT TO RULE 15C3-3 TO EXPAND THE CATEGORIES OF PERMISSIBLE COLLATERAL**

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 78o(c)(3), 78w, 78mm

**CFR Citation:** 17 CFR 240.15c3-3

**Legal Deadline:** None

**Abstract:** The Commission adopted a rule that would permit the expansion of the categories of collateral broker-dealers may pledge when borrowing securities from customers. Currently broker-dealers are required to pledge U.S. Treasury bills and notes and irrevocable bank letters of credit. The amendment allows them also to pledge such other collateral as the Commission, by order, designates.

**Timetable:**

Action	Date
NPRM	06/10/02 67 FR 39642
NPRM Comment Period End	07/25/02
Final Action	03/17/03 68 FR 12780
Final Action Effective	04/16/03

**Regulatory Flexibility Analysis Required:** No

**Small Entities Affected:** No

**Government Levels Affected:** None

**Agency Contact:** Randall Roy, Securities and Exchange Commission, 450 5th Street NW, Washington, DC 20549  
Phone: 202 942-0798

Fax: 202 942-9553

**RIN:** 3235-AI51

**4231. RESEARCH ANALYST CERTIFICATION**

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 77q; 15 USC 77s; 15 USC 78c; 15 USC 78o; 15 USC 78q; 15 USC 78w

**CFR Citation:** 17 CFR 242

**Legal Deadline:** None

**Abstract:** The Commission adopted a regulation requiring analysts to provide certain certifications and disclosures regarding research reports and compensation.

**Timetable:**

Action	Date
NPRM	08/08/02 67 FR 51510
NPRM Comment Period End	09/23/02
Final Action	02/27/03 68 FR 9482
Final Action Effective	04/14/03

**Regulatory Flexibility Analysis Required:** No

**Government Levels Affected:** None

**Agency Contact:** Racquel Russell, Securities and Exchange Commission  
Phone: 202 942-0764  
Fax: 202 942-9553

**RIN:** 3235-AI60

**4232. REPEAL OF RULE 11AC1-7 UNDER THE SECURITIES EXCHANGE ACT OF 1934**

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 78c(b); 15 USC 78o; 15 USC 78K-1; 15 USC 78q; 15 USC 78w(a)

**CFR Citation:** 17 CFR 240.11Ac1-7

**Legal Deadline:** None

**Abstract:** On December 27, 2002, the Commission repealed the rule that requires a broker-dealer to disclose to its customer when the customer's order for listed options is executed at a price inferior to a better published quote, unless the transaction was effected on a market that is a participant in an intermarket options linkage plan approved by the Commission or the customer order was executed as part of a block trade.

**Timetable:**

Action	Date
NPRM	06/15/02 67 FR 38610
NPRM Comment end	07/22/02
Repealed	12/27/02 67 FR 79454

**Regulatory Flexibility Analysis Required:** Yes

**Small Entities Affected:** Businesses

**Government Levels Affected:** None

**Agency Contact:** Debbie Flynn, Securities and Exchange Commission  
Phone: 202 942-0075

**RIN:** 3235-AI52

**Securities and Exchange Commission (SEC)  
Offices and Other Programs**
**Proposed Rule Stage**
**4233. PROPOSAL TO AMENDMENT  
DISCLOSURE REQUIREMENTS  
RELATED TO DERIVATIVE FINANCIAL  
INSTRUMENTS AND DERIVATIVE  
COMMODITY INSTRUMENTS**

**Priority:** Substantive, Nonsignificant.  
Major status under 5 USC 801 is  
undetermined.

**Legal Authority:** 15 USC 77a et seq;  
15 USC 78a et seq; 15 USC 79a et seq;  
15 USC 80a-1 et seq

**CFR Citation:** 17 CFR 210; 17 CFR 228;  
17 CFR 229

**Legal Deadline:** None

**Abstract:** The Office of the Chief Accountant is considering recommending that the Commission publish a release proposing amendments that would conform the Commission's disclosure requirements with Financial Accounting Standards No.133.

**Timetable:**

Action	Date
NPRM	12/00/03

**Regulatory Flexibility Analysis  
Required:** Undetermined

**Government Levels Affected:**  
Undetermined

**Agency Contact:** Jenifer Minke-Girard,  
Securities and Exchange Commission  
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**RIN:** 3235-AH98

**Securities and Exchange Commission (SEC)  
Offices and Other Programs**
**Final Rule Stage**
**4234. SUPPLEMENTAL FINANCIAL  
INFORMATION**

**Priority:** Substantive, Nonsignificant.  
Major status under 5 USC 801 is  
undetermined.

**Legal Authority:** 15 USC 77a et seq;  
15 USC 78a et seq; 15 USC 79a et seq;  
15 USC 80a-1 et seq

**CFR Citation:** 17 CFR 210; 17 CFR 229

**Legal Deadline:** None

**Abstract:** The Commission has proposed amendments to reposition within its regulation the requirement for certain registrants to disclose changes in their valuation and loss accrual accounts and to clarify the type of information to be disclosed. The Commission also has proposed amendments to its rules to require disclosure of information concerning tangible and intangible assets and related accumulated depreciation, depletion, and amortization.

**Timetable:**

Action	Date
NPRM	01/31/00 65 FR 4585
NPRM Comment Period End	04/17/00
Final Action	10/00/03

**Regulatory Flexibility Analysis  
Required:** No

**Government Levels Affected:** None

**Agency Contact:** John W. Albert,  
Associate Chief Accountant, Securities  
and Exchange Commission  
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**RIN:** 3235-AH86

**4235. • RULES REGARDING  
IMPROPER INFLUENCE ON THE  
CONDUCT OF AUDITS**

**Priority:** Substantive, Nonsignificant.  
Major status under 5 USC 801 is  
undetermined.

**Legal Authority:** 15 USC 78a et seq;  
15 USC 80a-1 et seq

**CFR Citation:** 17 CFR 240

**Legal Deadline:** Final, Statutory, April  
26, 2003, Sarbanes-Oxley Act of 2002.

**Abstract:** The Commission proposed rules to prohibit officers and directors of an issuer, and persons acting under their direction, from taking any action to influence, coerce, manipulate, or mislead the auditor of the issuer's financial statements.

**Timetable:**

Action	Date
NPRM	10/24/02 67 FR 65325
NPRM Comment Period End	11/25/02
Final Action	05/00/03

**Regulatory Flexibility Analysis  
Required:** Yes

**Small Entities Affected:** Businesses

**Government Levels Affected:** None

**Agency Contact:** Michael J. Kigin,  
Associate Chief Accountant, Securities  
and Exchange Commission  
Phone: 202 942-4400

**RIN:** 3235-AI67

**4236. • IMPLEMENTATION OF  
STANDARDS OF PROFESSIONAL  
CONDUCT FOR ATTORNEYS**

**Priority:** Substantive, Nonsignificant

**Legal Authority:** 15 USC 7202, 7245,  
7262; 15 USC 77s; 15 USC 78c(b), 78d-  
3, 78m, 78w; 15 USC 80a-37, 80a-38;  
15 USC 80b-11

**CFR Citation:** 17 CFR 205

**Legal Deadline:** Final, Statutory,  
January 26, 2003.

**Abstract:** The Commission adopted a rule establishing standards of professional conduct for attorneys who appear and practice before the Commission on behalf of issuers in accordance with section 307 of the Sarbanes-Oxley Act 2002. The standards include a rule requiring an attorney to report evidence of a material violation of securities or breach of fiduciary duty or similar violation by the issuer up-the-ladder within the company to the chief legal counsel of the chief executive officer of the company (or the equivalent thereof) and, if they do not respond appropriately to the evidence, requiring the attorney to report the evidence to the audit committee, another committee of independent directors, or the full board of directors. The Commission is still considering the "noisy withdrawal" provisions of our original proposal under section 307; in the related proposing release, we discuss that part of the original proposal and seek comment on additional alternatives.

**Timetable:**

Action	Date
NPRM	12/02/02 67 FR 71670



## SEC—Offices and Other Programs

## Final Rule Stage

Action	Date
NPRM Comment Period End	12/18/02
NPRM for "Noisy Withdrawal" Rule	02/06/03 68 FR 6324
Final Action for Professional Standard Rules	02/06/03 68 FR 6296

Action	Date
NPRM for "Noisy Withdrawal" Rule Comment Period End	04/07/03
Final Action for "Noisy Withdrawal" Rule	06/00/03
Final Action for Professional Standard Rules Effective	08/05/03

**Regulatory Flexibility Analysis****Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None**Agency Contact:** Timothy N McGarey, Securities and Exchange Commission  
Phone: 202 942-0835**RIN:** 3235-AI72Securities and Exchange Commission (SEC)  
Offices and Other Programs

## Long-Term Actions

**4237. INTERNATIONAL ACCOUNTING STANDARDS****Priority:** Substantive, Nonsignificant. Major status under 5 USC 801 is undetermined.**Legal Authority:** 15 USC 77a et seq; 15 USC 78a et seq**CFR Citation:** 17 CFR 210; 17 CFR 249.220f**Legal Deadline:** None**Abstract:** The Commission is reviewing comments received in response to a concept release on whether the

Commission should recognize accounting standards promulgated by the International Accounting Standards Committee for purposes of cross-border offerings and listings by foreign companies. The staff is considering drafting appropriate rule proposals and recommendations to the Commission.

**Timetable:**

Action	Date
ANPRM	02/23/00 65 FR 8896
ANPRM Comment Period End	05/23/00
NPRM	To Be Determined

**Regulatory Flexibility Analysis****Required:** Undetermined**Small Entities Affected:** No**Government Levels Affected:** Undetermined**Agency Contact:** Susan Koski-Grafer, Office of the Chief Accountant, Securities and Exchange Commission  
Phone: 202 942-4400**RIN:** 3235-AH65Securities and Exchange Commission (SEC)  
Offices and Other Programs

## Completed Actions

**4238. ● RULE TO STRENGTHEN THE COMMISSION'S REQUIREMENTS REGARDING AUDITOR INDEPENDENCE****Priority:** Substantive, Nonsignificant**Legal Authority:** 15 USC 80b-3; 15 USC 80b-11; 15 USC 78w; 15 USC 78mm; 15 USC 80a-8; 15 USC 80a-29; 15 USC 80a-37; 15 USC 77g; 15 USC 77h; 15 USC 77j; 15 USC 77s; 15 USC 77z-3; 15 USC 78c; 15 USC 78j; 15 USC 78L; 15 USC 78m; 15 USC 78n; 15 USC 78q**CFR Citation:** 17 CFR 210; 17 CFR 240; 17 CFR 249; 17 CFR 274**Legal Deadline:** Final, Statutory, January 26, 2003, Sarbanes-Oxley Act of 2002.**Abstract:** The Commission adopted rules that conform the Commission's auditor independence rules to the requirements of the Sarbanes-Oxley Act.**Timetable:**

Action	Date
NRPM	12/13/02 67 FR 76780

Action	Date
NPRM Comment Period End	01/12/03
Final Action	02/05/03 68 FR 6006
Final Action Effective	05/06/03

**Regulatory Flexibility Analysis****Required:** No**Government Levels Affected:** None**Agency Contact:** Samuel L. Burke, Securities and Exchange Commission, Office of the Chief Accountant  
Phone: 202 942-4400**RIN:** 3235-AI73**4239. ● RULES ON RETENTION OF RECORDS RELEVANT TO AUDITS AND REVIEWS IMPLEMENTING SECTION 802 OF THE SARBANES-OXLEY ACT OF 2002****Priority:** Substantive, Nonsignificant**Legal Authority:** 15 USC 77a et seq; 15 USC 78a et seq; 15 USC 79a et seq; 15 USC 80a-1 et seq**CFR Citation:** 17 CFR 210**Legal Deadline:** Final, Statutory, Sarbanes-Oxley Act of 2002.**Abstract:** The Commission adopted rules to require accountants to retain for 7 years certain records relevant to their audits and reviews of issuer's financial statements.**Timetable:**

Action	Date
NPRM	11/27/02 67 FR 71018
NPRM Comment Period End	12/27/02
Final Action	01/30/03 68 FR 4862
Final Action Effective	03/03/03

**Regulatory Flexibility Analysis****Required:** Yes**Small Entities Affected:** Businesses**Government Levels Affected:** None**Agency Contact:** Robert E. Burns, Office of the Chief Accountant, Securities and Exchange Commission, Office of the Chief Accountant, 450 5th Street NW, Washington, DC 20549  
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**SEC—Offices and Other Programs**

**Completed Actions**

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**RIN:** 3235-AI74

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