

payment plans of their rights in connection with their plan certificates.

Commission staff estimates that there are three issuers of periodic payment plan certificates affected by rule 27f-1. The frequency with which each of these issuers or their representatives must file Form N-27F-1 notices varies with the number of periodic payment plans sold. The Commission estimates, however, that approximately 5,907 Form N-27F-1 notices are sent out annually. The Commission estimates that all the issuers that send Form N-27F-1 notices use outside contractors to print and distribute the notices, and incur no hourly burden. The estimate of average burden hours is made solely for the purposes of the Paperwork Reduction Act, and is not derived from a comprehensive or even a representative survey or study of the costs of Commission rules and forms.<sup>1</sup>

Complying with the collection of information requirements of rule 27f-1 is mandatory for custodian banks of periodic payment plans for which the sales load deducted from any payment exceeds 9 percent of the payment.<sup>2</sup> The information provided pursuant to rule 27f-1 will be provided to third parties and, therefore, will not be kept confidential. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid control number.

Written comments are invited on: (a) Whether the collection of information is necessary for the proper performance of the functions of the Commission, including whether the information has practical utility; (b) the accuracy of the Commission's estimate of the burden of the collection of information; (c) ways to enhance the quality, utility, and clarity of the information collected; and (d) ways to minimize the burden of the collection of information on respondents, including through the use of automated collection techniques or other forms of information technology. Consideration will be given to comments and suggestions submitted in writing within 60 days of this publication.

Please direct your written comments to Kenneth A. Fogash, Acting Associate Executive Director/CIO, Office of

<sup>1</sup> This estimate is based on informal conversations between the Commission staff and representatives of periodic payment plan issuers.

<sup>2</sup> The rule also permits the issuer, the principal underwriter for, or the depositor of, the issuer or a record-keeping agent for the issuer to mail the notice if the custodian bank has delegated the mailing of the notice to any of them or if the issuer has been permitted to operate without a custodian bank by Commission order. See 17 CFR 270.27f-1.

Information Technology, Securities and Exchange Commission, 450 5th Street, NW., Washington, DC 20549-0004.

Dated: July 22, 2003.

**Jill M. Peterson,**  
*Assistant Secretary.*

[FR Doc. 03-19181 Filed 7-28-03; 8:45 am]

BILLING CODE 8010-01-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48212; File No. PCAOB-2003-01]

### Public Company Accounting Oversight Board; Order Approving Proposed Rules Relating to Bylaws

July 23, 2003.

#### I. Introduction

On March 3, 2003, the Public Company Accounting Oversight Board ("Board" or "PCAOB") filed with the Securities and Exchange Commission ("Commission") proposed rules PCAOB-2003-01 pursuant to Sections 101 and 107 of the Sarbanes-Oxley Act of 2002 ("Act"). On April 30, 2003, the PCAOB filed amendment No. 1 to those proposed rules. Notice of the bylaws, as amended, was published in the **Federal Register** on June 18, 2003.<sup>1</sup> The Commission received no comment letters. For the reasons discussed below, the Commission is granting approval of the proposed rules.

#### II. Description

Section 101(d) of the Act directs the PCAOB to organize and achieve the capacity necessary to carry out the purposes of the Act, and Section 101(g)(1) of the Act directs the PCAOB to adopt rules to provide for the operation and administration of the Board, the exercise of its authority, and the performance of its responsibilities under the Act. In furtherance of these provisions and its general obligations under the Act, the PCAOB has adopted a set of bylaws to establish rules, standards and procedures for the conduct of the PCAOB's business affairs. The PCAOB approved the bylaws on January 9, 2003, and authorized filing them with the Commission.<sup>2</sup> The bylaws were filed with the Commission's Office of the Secretary in March 2003 for publication and comment pursuant to the requirements of Section 107(b) of the

<sup>1</sup> Securities Exchange Act Release No. 48027 (June 13, 2003); 68 FR 36614 (June 18, 2003).

<sup>2</sup> Under the Act, the Board's bylaws are rules that must be approved by the Commission. See Section 2(a)(13) of the Act.

Act and Section 19(b) of the Securities Exchange Act of 1934 ("Exchange Act"). On April 25, 2003, the PCAOB adopted an amendment to Article VI of the bylaws to specify the powers of the PCAOB's Chair. On April 30, 2003, the PCAOB filed its Amendment No. 1 to the proposed bylaws.

The bylaws consist of nine Articles and contain, among other things:

A. Rules to determine the presence of a quorum of the PCAOB.

B. Establishment of a requirement to hold at least one public meeting per month.

C. Appointment of officers of the PCAOB.

D. Terms of indemnification of officers, employees and members of the PCAOB against claims arising from conduct in connection with the performance of their duties to the PCAOB.

E. Grant of authority to the PCAOB to purchase insurance against claims that may be asserted against officers, employees and members of the PCAOB in connection with the business relationship between such persons and the PCAOB.

F. Grant of authority to the PCAOB to adopt rules to govern the PCAOB as deemed necessary or appropriate to enable the PCAOB to discharge its responsibilities under the Act.

G. Rules under which capital expenditures and investments may be made by the PCAOB.

H. Establishment of a requirement that the PCAOB retain an accounting firm to annually audit the financial records of the PCAOB.

I. Delineation of the authority of the Chairman.

#### III. Discussion

The Act requires the Board, among other things, to oversee the audits of the financial statements of public companies that are subject to the securities laws in order to protect the interests of investors and further the public interest in having auditors prepare informative, accurate, and independent audit reports.<sup>3</sup>

Title I of the Act established the Board as a nonprofit corporation, subject to and with all the powers conferred upon a nonprofit corporation by the District of Columbia Nonprofit Corporation Act.<sup>4</sup> The Board's bylaws implement Title I of the Act by establishing a principal office in Washington, DC, and by establishing the composition of a Governing Board and the powers and duties of the Governing

<sup>3</sup> Section 101(a) of the Act.

<sup>4</sup> Section 101(b) of the Act.

Board and officers. The bylaws are an important part of the Board's governing documents and establish procedures for the business operation and administration of the Board. The bylaws are intended to facilitate fulfillment of the Board's obligations under the Act.

#### IV. Conclusion

On the basis of the foregoing, the Commission finds that the proposed rules are consistent with the requirements of the Act and are necessary and appropriate in the public interest and for the protection of investors.

It is therefore ordered, pursuant to Section 19(b)(2) of the Exchange Act, that the proposed rules (File No. PCAOB-2003-01) be and hereby are approved.

By the Commission.

**Jill M. Peterson,**

*Assistant Secretary.*

[FR Doc. 03-19178 Filed 7-28-03; 8:45 am]

**BILLING CODE 8010-01-P**

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48210; File No. SR-CBOE-2003-15]

#### Self Regulatory Organizations; Chicago Board Options Exchange, Incorporated; Order Granting Approval to Proposed Rule Change and Amendment No. 1 Thereto Relating to an Amendment to Rule 17.2 of the CBOE's Disciplinary Rules Concerning the Initiation of Investigations of Possible Violations Within the Disciplinary Jurisdiction of the Exchange

July 23, 2003.

On April 7, 2003, the Chicago Board Options Exchange, Inc. ("CBOE" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and Rule 19b-4 thereunder,<sup>2</sup> a proposed rule change to amend CBOE Rule 17.2 of its Disciplinary Rules concerning the initiation of investigations of possible violations within the disciplinary jurisdiction of the Exchange. On May 30, 2003, the CBOE filed Amendment No. 1.<sup>3</sup>

The proposed rule change was published for comment in the **Federal Register** on June 23, 2003.<sup>4</sup> The Commission received no comments on the proposal, as amended.

The Commission finds that the proposed rule change, as amended, is consistent with the requirements of the Act and the rules and regulations thereunder applicable to a national securities exchange<sup>5</sup> and, in particular, the requirements of section 6 of the Act<sup>6</sup> and the rules and regulations thereunder. The Commission finds specifically that the proposed rule change, as amended, is consistent with section 6(b)(5)<sup>7</sup> in that it is designed to promote just and equitable principles of trade, to remove impediments and to perfect the mechanism of a free and open market and a national market system, and in general, to protect investors and the public interest. The Commission also finds that the proposed rule change, as amended, is consistent with sections 6(b)(1),<sup>8</sup> 6(b)(6),<sup>9</sup> and 6(b)(7)<sup>10</sup> of the Act in that it requires compliance by the Exchange members and persons associated with its members with the Act, the rules and regulations thereunder, and Exchange rules; and provides a fair procedure for the disciplining of Exchange members. In particular, the Commission believes that the proposed rule change, as amended, should help to clarify and make explicit that the Exchange can initiate investigations in its disciplinary jurisdiction on its own when it believes that there is a reasonable basis to do so, and that complaints made to the Exchange alleging violations made by a complainant can either be oral or written.

*It is therefore ordered*, pursuant to section 19(b)(2) of the Act,<sup>11</sup> that the proposed rule change (File No. SR-CBOE-2003-15), as amended, be, and it hereby is, approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>12</sup>

**Jill M. Peterson,**

*Assistant Secretary.*

[FR Doc. 03-19183 Filed 7-28-03; 8:45 am]

**BILLING CODE 8010-01-P**

<sup>4</sup> See Securities Exchange Act Release No. 48038 (June 16, 2003), 68 FR 37181.

<sup>5</sup> In approving this proposed rule change, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

<sup>6</sup> 15 U.S.C. 78f.

<sup>7</sup> 15 U.S.C. 78f(b)(5).

<sup>8</sup> 15 U.S.C. 78f(b)(1).

<sup>9</sup> 15 U.S.C. 78f(b)(6).

<sup>10</sup> 15 U.S.C. 78f(b)(7).

<sup>11</sup> 15 U.S.C. 78s(b)(2).

<sup>12</sup> 17 CFR 200.30-3(a)(12).

#### SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48209; File No. SR-EMCC-2003-01]

#### Self-Regulatory Organizations; Emerging Markets Clearing Corporation; Notice of Filing of a Proposed Rule Change Relating to EMCC's Capital Requirements for Members

July 22, 2003.

Pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act"),<sup>1</sup> notice is hereby given that on April 8, 2003, Emerging Markets Clearing Corporation ("EMCC") filed with the Securities and Exchange Commission ("Commission") the proposed rule change as described in Items I, II, and III below, which items have been prepared primarily by EMCC. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

#### I. Self-Regulatory Organization's Statement of the Terms of Substance of the Proposed Rule Change

The proposed rule change would amend the general continuance standards for continued membership in EMCC's Rule 2, Section 7.

#### II. Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

In its filing with the Commission, EMCC included statements concerning the purpose of and basis for the proposed rule change and discussed any comments it received on the proposed rule change. The text of these statements may be examined at the places specified in Item IV below. EMCC has prepared summaries, set forth in sections (A), (B), and (C) below, of the most significant aspects of such statements.<sup>2</sup>

#### (A) Self-Regulatory Organization's Statement of the Purpose of, and Statutory Basis for, the Proposed Rule Change

EMCC's Rule 2 ("Members"), Section 6, ("Admission Criteria for Members") provides that if an applicant does not meet the minimum capital requirements set forth in Section 6, EMCC's Board of Directors may include for such purposes the capital of an affiliate of the applicant if the affiliate delivers to EMCC a satisfactory guaranty. The purpose of

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> The Commission has modified parts of these statements.

<sup>1</sup> 15 U.S.C. 78s(b)(1).

<sup>2</sup> 17 CFR 240.19b-4.

<sup>3</sup> See letter from J. Patrick Sexon, Assistant General Counsel, CBOE, to Sapna C. Patel, Attorney, Division of Market Regulation, Commission, dated May 29, 2003 ("Amendment No. 1").