

registered accounting firms; and enforcing compliance with the Act. The Commission has authority to oversee the operations of the PCAOB, including but not limited to the authority to appoint or remove members of the PCAOB, to approve its budget and rules, and to entertain appeals of adverse PCAOB inspection reports and disciplinary actions.

Section 101(d) of the Act provides that, no later than 270 days after the establishment of the PCAOB, the members of the PCAOB "shall take such action (including hiring of staff, proposal of rules, and adoption of initial and transitional auditing and other professional standards) as may be necessary or appropriate to enable the Commission to determine * * * that the Board is so organized and has the capacity to carry out the requirements of [the Act], and to enforce compliance with [the Act] by registered public accounting firms and associated persons thereof." The purpose of the provision was to assure that the PCAOB is prepared to undertake promptly its statutory responsibilities.

Since the appointment of its board members, the PCAOB has undertaken many actions to demonstrate its readiness to carry out the requirements of the Act. For example, it has hired or substantially completed the hiring process to fill, on a permanent or acting basis, a majority of its key positions, including the Director of Registration and Inspections and the Chief Auditor. The PCAOB has adopted by-laws and proposed for public comment a code of conduct and ethical standards for PCAOB members and staff.

The PCAOB has adopted its budget for the calendar year 2003. It also has determined and submitted to the Commission a proposed formula for the computation of an Annual Accounting Support Fee for calendar year 2003. The PCAOB has adopted, and submitted to the Commission for approval, a plan for assessment, billing and collection of registration fees, annual fees and Annual Accounting Support Fees.

The PCAOB has begun to adopt rules for the profession. For example, it has proposed rules relating to the registration of public accounting firms and has supplemented its comment process on that proposal by holding a public roundtable meeting to solicit views on issues relating to the registration of non-U.S. public accounting firms. The PCAOB has adopted interim professional standards relating to auditing, attestation, independence, quality control, and ethical conduct of auditors. These standards are the subject of a separate

Commission Order. After the date of that Order, no professional standards in these areas, as they relate to the audit of public companies, will take effect unless approved by the PCAOB under its statutory rulemaking process and published for comment and approved by the Commission. The PCAOB also has issued a policy statement setting forth a blueprint for its future standard-setting procedures, including a planned review of the interim standards.

Finally, the PCAOB has developed a plan for inspecting accounting firms. It has also prepared a plan to develop procedures and standards governing disciplinary proceedings and the imposition of sanctions against accounting firms and their associates.

As a result of these actions, but without this Order constituting approval of any specific PCAOB action, the Commission determines that the PCAOB is so organized and has the capacity to carry out the requirements of the Act and to enforce compliance with the Act by registered public accounting firms and associated persons thereof, as required by section 101(d) of the Act. Accordingly,

It is Ordered that the Commission hereby determines that the PCAOB has satisfied the requirements of section 101(d) of the Act.

By the Commission.

Jonathan G. Katz,
Secretary.

[FR Doc. 03-10782 Filed 4-30-03; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-47725; File No. SR-Amex-2003-17]

Self-Regulatory Organizations; Notice of Filing of Proposed Rule Change and Amendment No. 1 Thereto by the American Stock Exchange LLC Relating to Market at 4 p.m. Orders for ETFs

April 23, 2003.

Pursuant to section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² notice is hereby given that on March 17, 2003, the American Stock Exchange LLC ("Amex" or "Exchange") 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 by the Exchange. On April 17,

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

2003 the Amex amended the proposal.³ The Commission is publishing this notice to solicit comments on the proposed rule change, as amended, from interested persons.

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

The Amex proposes to add Commentary .02 to Amex Rule 131 ("Types of Orders") to provide that an order in Exchange Traded Funds ("ETFs") that trade until 4:15 p.m. may be designated as "market at 4 p.m."; and Commentary .06 to Amex Rule 155 ("Precedence Accorded to Orders Entrusted to Specialists") to provide that "market at 4 p.m." orders, shall be executed at one price at 4 p.m. or as close as practicable to 4:00 p.m. and shall have priority over limit orders priced at the execution price.

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

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

The text of the proposed rule change is below. Proposed new language is *italicized*.

* * * * *

Types of Orders

Rule 131

* * * * *

Commentary .02

"Market at 4 p.m." orders. An order in Portfolio Depositary Receipts or Index Fund Shares that trade on the Exchange until 4:15 p.m. may be designated as "market at 4 p.m." to denote that it is a market order which is to be executed at or as close as practicable to the close of the regular equity trading session on the exchange (normally 4 p.m. Eastern Time).

(b) Where a member is holding simultaneously both buy and sell

³ See letter from Geraldine Brindisi, Vice-President and Corporate Secretary, Amex, to Nancy Sanow, Assistant Director, Division of Market Regulation, Commission, dated April 16, 2003 ("Amendment No. 1"). In Amendment No. 1, the Amex replaced in its entirety the original proposed rule change.