

Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) if action is to be taken with respect to the election of directors:

(1) State whether or not the small business issuer has a separately-designated standing audit committee established in accordance with section 3(a)(58)(A) of the Exchange Act (15 U.S.C. 78c(a)(58)(A)), or a committee performing similar functions. If the small business issuer has such a committee, however designated, identify each committee member. If the entire board of directors is acting as the small business issuer's audit committee as specified in section 3(a)(58)(B) of the Exchange Act (15 U.S.C. 78c(a)(58)(B)), so state.

(2) If applicable, provide the disclosure required by § 240.10A-3(d) of this chapter regarding an exemption from the listing standards for audit committees.

3. Amend § 228.601 by removing the last sentence of paragraph (a)(1).

PART 229—STANDARD INSTRUCTIONS FOR FILING FORMS UNDER SECURITIES ACT OF 1933, SECURITIES EXCHANGE ACT OF 1934 AND ENERGY POLICY AND CONSERVATION ACT OF 1975—REGULATION S-K

4. The authority citation for Part 229 is amended by adding the following citations in numerical order to read as follows:

Authority: 15 U.S.C. 77e, 77f, 77g, 77h, 77j, 77k, 77s, 77z-2, 77z-3, 77aa(25), 77aa(26), 77ddd, 77eee, 77ggg, 77hhh, 77iii, 77jjj, 77nnn, 77sss, 78c, 78i, 78j, 78l, 78m, 78n, 78o, 78u-5, 78w, 78ll(d), 78mm, 79e, 79n, 79t, 80a-8, 80a-29, 80a-30, 80a-31(c), 80a-37, 80a-38(a), and 80b-11, unless otherwise noted.

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Section 229.401 is also issued under secs. 3(a) and 301, Pub. L. No. 107-204, 116 Stat. 745.

Section 229.601 is also issued under secs. 3(a) and 301, Pub. L. No. 107-204, 116 Stat. 745.

5. Amend § 229.401 by adding paragraph (h) to read as follows:

§ 229.401 (Item 401) Directors, executive officers, promoters and control persons.

* * * * *

(h) *Identification of the audit committee.* If you are a listed issuer, as defined in § 240.10A-3 of this chapter, filing an annual report on Form 10-K or 10-KSB (17 CFR 249.310 or 17 CFR 249.310b) or a proxy statement or information statement pursuant to the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*) if action is to be taken with respect to the election of directors:

(1) State whether or not the registrant has a separately-designated standing audit committee established in accordance with section 3(a)(58)(A) of the Exchange Act (15 U.S.C. 78c(a)(58)(A)), or a committee performing similar functions. If the registrant has such a committee, however designated, identify each committee member. If the entire board of directors is acting as the registrant's audit committee as specified in section 3(a)(58)(B) of the Exchange Act (15 U.S.C. 78c(a)(58)(B)), so state.

(2) If applicable, provide the disclosure required by § 240.10A-3(d) of this chapter regarding an exemption from the listing standards for audit committees.

6. Amend § 229.601 by:

a. Removing the second sentence of paragraph (a);

b. Revising the phrase "Notwithstanding the provisions of paragraphs (b)(27) and (c) of this Item, registered investment companies" at the beginning of the third sentence of paragraph (a) to read "Registered investment companies";

c. In the Exhibit Table, adding a designation for exhibit (27) entitled "Statement re audit committees for registrants with boards of auditors or similar bodies";

d. In the Exhibit Table, adding an "X" corresponding to exhibit (27) under the caption "Exchange Act Forms", "10-K";

e. In the Exhibit Table, reserving exhibits (28) through (98);

f. Adding the text of paragraph (b)(27); and

g. Reserving paragraphs (b)(28) through (b)(98).

The addition of paragraph (b)(27) reads as follows:

§ 229.601 (Item 601) Exhibits.

* * * * *

(b) *Description of exhibits.* * * *

(27) *Statement re audit committees for registrants with boards of auditors or similar bodies.* If you are availing yourself of the exemption in § 240.10A-3(c)(2) of this chapter from the listing standards for audit committees because you have a board of auditors or similar body, a statement that you are availing yourself of that exemption and a reference to the section of the report to which the exhibit relates disclosing information regarding your use of that exemption.

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PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

7. The authority citation for Part 240 is amended by adding the following

citations in numerical order to read as follows:

Authority: 15 U.S.C. 77c, 77d, 77g, 77j, 77s, 77z-2, 77z-3, 77eee, 77ggg, 77nnn, 77sss, 77ttt, 78c, 78d, 78e, 78f, 78g, 78i, 78j, 78j-1, 78k, 78k-1, 78l, 78m, 78n, 78o, 78p, 78q, 78s, 78u-5, 78w, 78x, 78ll, 78mm, 79q, 79t, 80a-20, 80a-23, 80a-29, 80a-37, 80b-3, 80b-4 and 80b-11, unless otherwise noted.

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Section 240.10A-3 is also issued under secs. 3(a) and 301, Pub. L. No. 107-204, 116 Stat. 745.

Section 240.14a-101 is also issued under secs. 3(a) and 301, Pub. L. No. 107-204, 116 Stat. 745.

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8. Add § 240.10A-3 to read as follows:

§ 240.10A-3 Listing standards relating to audit committees.

(a) Pursuant to section 10A(m) of the Act (15 U.S.C. 78j-1(m)) and section 3 of the Sarbanes-Oxley Act of 2002 (Pub. L. No. 107-204, sec. 3, 116 Stat. 745):

(1) *National securities exchanges.* The rules of each national securities exchange registered pursuant to section 6 of the Act (15 U.S.C. 78f) must prohibit the initial or continued listing of any security of an issuer that is not in compliance with the requirements of any portion of paragraph (b) or (c) of this section.

(2) *National securities associations.* The rules of each national securities association registered pursuant to section 15A of the Act (15 U.S.C. 78o-3) must prohibit the initial or continued listing in an automated inter-dealer quotation system of any security of an issuer that is not in compliance with the requirements of any portion of paragraph (b) or (c) of this section.

(3) *Opportunity to cure defects.* The rules required by paragraphs (a)(1) and (a)(2) of this section must provide for appropriate procedures for an issuer to have an opportunity to cure any defects that would be the basis for a prohibition under paragraph (a) of this section, before the imposition of such prohibition.

(4) *Notification of noncompliance.* The rules required by paragraphs (a)(1) and (a)(2) of this section must include a requirement that a listed issuer must notify the applicable national securities exchange or national securities association promptly after an executive officer of the listed issuer becomes aware of any material noncompliance by the listed issuer with the requirements of this section.

(5) *Implementation.* (i) The rules of each national securities exchange or national securities association meeting the requirements of this section must be operative no later than the first