

1. The Commission will consider whether to approve proposed rule changes submitted by the New York Stock Exchange, Inc. and the National Association of Securities Dealers, Inc. relating to research analyst conflicts of interest.

2. The Commission will consider whether to adopt rules to require foreign issuers to file electronically through the Electronic Data Gathering, Analysis, and Retrieval system ("EDGAR") their securities documents, including Securities Act registration statements and Exchange Act registration statements and reports. The rules would apply to both foreign private issuers and foreign governments.

3. The Commission will hear oral argument on an appeal by Daniel R. Lehl, et al., from the decision of an administrative law judge.

At times, changes in Commission priorities require alterations in the scheduling of meeting items. For further information and to ascertain what, if any, matters have been added, deleted or postponed, please contact:

The Office of the Secretary at (202) 942-7070.

Dated: April 30, 2002.

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-11126 Filed 5-1-02; 12:28 pm]

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## SECURITIES AND EXCHANGE COMMISSION

[Release No.34-45830; File No. SR-Phlx-2002-29]

### Self-Regulatory Organizations; Philadelphia Stock Exchange, Inc.; Notice of Filing of Proposed Rule Change Relating to Phlx Rule 757, Anti-Money Laundering Compliance Program

April 26, 2002.

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> notice is hereby given that on April 24, 2002, the Philadelphia Stock Exchange, Inc. ("Phlx" 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 substantially by the self-regulatory organization. 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 Phlx proposes to adopt Rule 757, Anti-Money Laundering Compliance Program. The proposed rule would require each member, member organization, participant and participant organization ("members"), for which the Exchange is the Designated Examining Authority ("DEA"), to develop and implement an anti-money laundering compliance program consistent with applicable provisions of the Bank Secrecy Act ("BSA") and the Regulations thereunder.

#### 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 self-regulatory organization 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. The Phlx has prepared summaries, set forth in Sections A, B, and C below, of the most significant aspects of such statements.

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

###### 1. Purpose and Background

In 2001, President Bush signed into law, the USA PATRIOT Act of 2001 (the "PATRIOT Act")<sup>3</sup>, which amends among other laws the Bank Secrecy Act as set forth in Title 31 of the United States Code (the "Code"). The PATRIOT Act expands the powers of the government to fight the war on terrorism and requires that financial institutions, including broker-dealers, implement policies and procedures to that end.

Title III of the Patriot Act, separately referred to as the International Money Laundering Abatement and Financial Anti-Terrorism Act of 2001 (the "Money Laundering Act") focuses on the requirement that financial institutions establish anti-money laundering, monitoring, and supervisory systems.<sup>4</sup>

<sup>3</sup> USA PATRIOT Act stands for "Uniting and Strengthening America by Providing Appropriate Tools Required to Intercept and Obstruct Terrorism."

<sup>4</sup> The statutory definition of "financial institution" in the Money Laundering Act is exceptionally broad and encompasses 26 separate categories. 31 U.S.C. 5312(a)(2). Specifically the

The Money Laundering Act imposes obligations on brokers and dealers through the new provisions and amendments to the BSA. Among other things, brokers and dealers must implement anti-money laundering compliance programs, prepare and file suspicious transaction reports, and follow due diligence procedures. Brokers and dealers will be required to comply with these new obligations in addition to continuing to comply with existing BSA reporting and record-keeping requirements.<sup>5</sup> The Money Laundering Act Section 352, which amends Section 5318(h) of the Code, requires each financial institution to establish anti-money laundering programs by April 24, 2002, that include at a minimum (1) the development of internal policies, procedures and controls; (2) the designation of a compliance officer; (3) an ongoing employee training program; and (4) an independent audit function to test programs.

The legislative history of the PATRIOT Act explains that the requirement to have an anti-money laundering compliance program is not a "one-size-fits-all" requirement. The general nature of the requirements reflect Congress' intent that each financial institution should have the flexibility to tailor the anti-money laundering programs to fit its business, taking into account factors such as size, location, activities of the firm's business and the risks or vulnerabilities to money laundering in the firm. This flexibility is designed to ensure that all entities covered by the statute, from very large financial institutions to the small firms, have in place policies and procedures to

definition includes, *inter alia*, an insured bank, a commercial bank or trust company; a private banker, an agency or branch of a foreign bank in the United States, a thrift institution, a broker or dealer registered with the Securities and Exchange Commission under the Securities Exchange Act of 1934 (15 U.S.C. 78a *et seq.*), a broker dealer in securities or commodities, an investment banker or investment company, a currency exchange, an insurance company, a loan or finance company, and any business or agency which engages in any activity which the Secretary of the Treasury determines, by regulation, to be activity which is similar to, or a substitute for any activity in which any business described in § 5312 (a)(2) is authorized to engage.

<sup>5</sup> In addition to the direct requirement of the BSA, and the regulations thereunder, Rule 17a-8 under the Act (17 CFR 240.17a-8) requires broker/dealers to comply with the recordkeeping and reporting requirements of the BSA and related regulations, including the obligation to file reports and make and preserve records in connection with certain transactions generally exceeding \$10,000 and involving currency or the physical transport of currency into or out of the United States.

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

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

monitor for anti-money laundering compliance.<sup>6</sup>

The Exchange anticipates providing guidance in the form of a floor memorandum to assist members in developing an anti-money laundering program that fits their business model and needs.

## 2. Statutory Basis

For these reasons, the Exchange believes that its proposal is consistent with section 6(b) of the Act in general and further the objectives of Section 6(b)(5)<sup>7</sup> in particular in that it is designed to promote just and equitable principles of trade, remove impediments to and perfect the mechanism of a free and open market and national market system and to protect investors and the public interest by establishing minimum requirements for anti-money laundering compliance programs for Exchange members for which the Exchange is the DEA. The programs are designed to help identify and prevent money laundering that can affect the integrity of the U.S. capital markets.

### *B. Self-Regulatory Organization's Statement on Burden on Competition*

The Phlx does not believe that the proposed rule change will impose any burden on competition.

### *C. Self-Regulatory Organization's Statement on Comments on the Proposed Rule Change Received From Members, Participants or Others*

No written comments were solicited or received with respect to the proposed rule change.

## III. Date of Effectiveness of the Proposed Rule Change and Timing for Commission Action

Within 35 days of the date of publication of this notice in the **Federal Register** or within such longer period (i) as the Commission may designate up to 90 days of such date if it finds such longer period to be appropriate and publishes its reasons for so finding or (ii) as to which the self-regulatory organization consents, the Commission will:

(A) by order approve such proposed rule change, or

(B) institute proceedings to determine whether the proposed rule change should be disapproved.

## IV. Solicitation of Comments

Interested persons are invited to submit written data, views and arguments concerning the foregoing, including whether the proposed rule change is consistent with the Act. Persons making written submissions should file six copies thereof with the Secretary, Securities and Exchange Commission, 450 Fifth Street, NW., Washington, DC 20549-0609. Copies of the submission, all subsequent amendments, all written statements with respect to the proposed rule change that are filed with the Commission, and all written communications relating to the proposed rule change between the Commission and any person, other than those that may be withheld from the public in accordance with the provisions of 5 U.S.C. 552, will be available for inspection and copying in the Commission's Public Reference Room. Copies of the filing will also be available for inspection and copying at the principal office of the Phlx. All submissions should refer to SR-Phlx-2002-29 and should be submitted by May 24, 2002.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.<sup>8</sup>

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

[FR Doc. 02-11005 Filed 5-2-02; 8:45 am]

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## SMALL BUSINESS ADMINISTRATION

### Public Federal Regulatory Enforcement Fairness Hearing; Region II Regulatory Fairness Board

The Small Business Administration Region II Regulatory Fairness Board and the SBA Office of the National Ombudsman will hold a Public Hearing on Monday, May 20, 2002 at 8 a.m. at the Brooklyn Borough Hall, Community Room, 1st Floor, 209 Joralemon Street, Brooklyn, New York 11201, to receive comments and testimony from small business owners, small government entities, and small non-profit organizations concerning the regulatory enforcement and compliance actions taken by federal agencies.

Anyone wishing to attend or to make a presentation must contact Norman Hunte in writing or by fax, in order to be put on the agenda. Norman Hunte,

U.S. Small Business Administration, New York District Office, 26 Federal Plaza, Room 3100, New York, New York 10278, phone (212) 264-9487, fax (212) 264-4963, e-mail: [norman.hunte@sba.gov](mailto:norman.hunte@sba.gov).

For more information, see our Web site at [www.sba.gov/ombudsman](http://www.sba.gov/ombudsman).

Dated: April 24, 2002.

**Michael L. Barrera,**  
National Ombudsman.

[FR Doc. 02-10978 Filed 5-2-02; 8:45 am]

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## DEPARTMENT OF STATE

### [Public Notice 3998]

### Culturally Significant Objects Imported for Exhibition; Determinations: "Gustav Klimt Landscapes"

AGENCY: Department of State.

ACTION: Notice.

**SUMMARY:** Notice is hereby given of the following determinations: Pursuant to the authority vested in me by the Act of October 19, 1965 [79 Stat. 985; 22 U.S.C. 2459], Executive Order 12047 of March 27, 1978, the Foreign Affairs Reform and Restructuring Act of 1998 [112 Stat. 2681, *et seq.*; 22 U.S.C. 6501 note, *et seq.*], Delegation of Authority

No. 234 of October 1, 1999 [64 FR 56014], and Delegation of Authority No. 236 of October 19, 1999 [64 FR 57920], as amended, I hereby determine that the objects to be included in the exhibition, "Gustav Klimt Landscapes," imported from abroad for temporary exhibition within the United States, are of cultural significance. These objects are imported pursuant to loan agreements with foreign lenders. I also determine that the exhibition or display of the exhibit objects at the Clark Art Institute, Williamstown, Massachusetts, from on or about June 16, 2002, to on or about September 2, 2002, and at possible additional venues yet to be determined, is in the national interest. Public Notice of these determinations is ordered to be published in the **Federal Register**.

**FOR FURTHER INFORMATION CONTACT:** For further information, including a list of exhibit objects, contact Paul W. Manning, Attorney-Adviser, Office of the Legal Adviser, 202/619-5997, and the address is United States Department of State, SA-44, Room 700, 301 4th Street, SW, Washington, DC 20547-0001.

<sup>6</sup> See USA PATRIOT Act of 2001: Consideration of H.R. 3162 Before the Senate (October 25, 2001) (statement of Sen. Sarbanes); Financial Anti-Terrorism Act of 2001: Consideration Under Suspension of Rules of H.R. 3004 Before the House of Representatives (October 17, 2001) (statement of Rep. Kelley) (provisions of the Financial Anti-Terrorism Act of 2001 were incorporated as Title III in the USA PATRIOT Act.)

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

<sup>8</sup> 17 CFR 200.30-3(a)(12).