

adopted by the Board under Section 103(a) of the Act. Also, while implicit in the Act, the Board's proposed rules codify the requirement that all registered public accounting firms must comply with the Board's Standards. Pursuant to its authority to convene advisory groups and in order to obtain the advice of a broad range of experts, the Board's proposed rules also provide general guidelines for the creation of advisory groups.

The PCAOB adopted the proposed rules on June 30, 2003 and filed them with the Commission's Office of the Secretary on July 14, 2003. Pursuant to the requirements of Section 107(b) of the Act and Section 19(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), the Commission published the proposed rules for public comment on September 26, 2003.

The PCAOB's proposed rules include two rules (PCAOB Rules 3100 and 3700) and a definition that would appear in Rule 1001. Proposed PCAOB Rule 1001(a)(viii) defines "auditing and related professional practice standards" as the auditing standards, related attestation standards, quality control standards, ethical standards, and independence standards (including any rules implementing Title II of the Act), and any other professional standards, that are established or adopted by the Board under Section 103 of the Act. Proposed Rule 3100 codifies the obligation of registered public accounting firms to comply with the Standards. While this obligation is implicit in Section 103(a)(1) of the Act, adoption of Rule 3100 would mean that any registered public accounting firm or person associated with such a firm that fails to adhere to applicable Standards could be the subject of a Board disciplinary proceeding. Proposed Rule 3700 establishes guidelines for the formation, composition, and other basic matters concerning advisory groups that will participate in the standards-setting process. Rule 3700 also provides that the Board may establish ad hoc task forces, the members of which do not necessarily have to be members of an established advisory group.

III. Discussion

In a comment letter dated October 17, 2003, the National Association of State Boards of Accountancy ("NASBA") urged that the PCAOB, in its future rulemaking and oversight of public accounting firms, emphasize the importance of compliance with state regulatory requirements. As noted in the

Commission's July 16, 2003 order³ approving the PCAOB's rules for registration of public accounting firms, we appreciate NASBA's efforts to work with the PCAOB on auditor regulation and oversight, and we believe that both the PCAOB and state regulatory bodies will benefit from continued close cooperation. The second comment letter, from the accounting firm of Deloitte & Touche (October 17, 2003), contained suggestions for greater openness in the activities of the PCAOB's standing advisory group, and requested more notice of Board meetings, advisory group meetings and public roundtables. The comments in this letter also did not appear to warrant changes in the proposed rules.

Section 103 of the Act directs the PCAOB to establish auditing and related professional practice standards and empowers the PCAOB to convene advisory groups to assist it in fulfilling its standards-setting responsibilities. The proposed rules will facilitate the Board's exercise of its standards-setting authority and establish guidelines for the Board's use of advisory groups in connection with its standards-setting activities.

IV. Conclusion

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

It is therefore ordered, pursuant to Section 107 of the Act and Section 19(b)(2) of the Exchange Act, that the proposed rules (File No. PCAOB-2003-05) be and hereby are approved.

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 03-27992 Filed 11-5-03; 8:45 am]

BILLING CODE 8010-01-P

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-48722; File No. SR-PCX-2003-31]

Self-Regulatory Organizations; Order Granting Approval to a Proposed Rule Change and Amendments No. 1 and 2 Thereto by the Pacific Exchange, Inc. Making Housekeeping Changes to its Options Trading Rules

October 31, 2003.

On July 8, 2003, the Pacific Exchange, Inc. ("PCX" or "Exchange") filed with the Securities and Exchange Commission ("Commission"), pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")¹ and Rule 19b-4 thereunder,² a proposed rule change to amend its rules to clarify existing provisions, eliminate superfluous provisions, re-number rules where appropriate, and to otherwise update its rules. On September 10, 2003, the PCX filed Amendment No. 1 to the proposed rule change.³

The proposed rule change and Amendment No. 1 were published for comment in the **Federal Register** on September 29, 2003.⁴ The Commission received no comments on the proposal. On September 24, 2003, the PCX filed Amendment No. 2 to the proposed rule change.⁵

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 exchange⁶ and, in particular, the requirements of Section 6 of the Act⁷ and the rules and regulations thereunder. Specifically, the Commission finds that the proposed rule change, as amended, is consistent with Section 6(b)(5) of the Act⁸ because it is designed to prevent fraudulent and manipulative acts and practices, to promote just and equitable principles of

¹ 15 U.S.C. 78s(b)(1).

² 17 CFR 240.19b-4.

³ Amendment No. 1 replaced the PCX's original Rule 19b-4 filing in its entirety.

⁴ See Securities Exchange Act Release No. 48522 (September 23, 2003), 68 FR 56029.

⁵ See letter from Tania J. Cho, Staff Attorney, Regulatory Policy, PCX, to Nancy J. Sanow, Assistant Director, Division of Market Regulation, Commission, dated September 23, 2003 (Amendment No. 2"). In Amendment No. 2, PCX made a technical correction to its rule text. Because this is a technical amendment, it is not subject to notice and comment.

⁶ In approving this proposed rule change, as amended, the Commission notes that it has considered the proposed rule's impact on efficiency, competition, and capital formation. 15 U.S.C. 78c(f).

⁷ 15 U.S.C. 78f.

⁸ 15 U.S.C. 78f(b)(5).

³ Release No. 34-48180 (July 10, 2003); 68 FR 43244 (July 21, 2003). Technical corrections in Release No. 34-48180A (July 22, 2003); 68 FR 44370 (July 28, 2003).

trade, to foster cooperation and coordination with persons engaged in facilitating transactions in securities, to remove impediments to and 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 finds that the proposed rule change, as amended, is also consistent with Section 6(b)(6) of the Act,⁹ which requires that members and persons associated with members be appropriately disciplined for violations of Exchange rules.¹⁰

The Commission believes that the housekeeping changes proposed by the Exchange to PCX Rule 6 ("Options Trading—Rules Principally Applicable to Trading of Options Contracts") and to other PCX rules should help to correct, clarify, and ensure consistency in and among the PCX's current rules and in the terminology used in those rules. The Commission notes that many of these housekeeping changes are the result of the incorporation of new or amended rules pursuant to the Commission's approval of PCX Plus.¹¹

It is therefore ordered, pursuant to Section 19(b)(2) of the Act,¹² that the proposed rule change (File No. SR-PCX-2003-31), as amended, is hereby approved.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.¹³

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 03-27993 Filed 11-5-03; 8:45 am]

BILLING CODE 8010-01-P

SMALL BUSINESS ADMINISTRATION

Reporting and Recordkeeping Requirements Under OMB Review

AGENCY: Small Business Administration

ACTION: Notice of reporting requirements submitted for OMB review.

SUMMARY: Under the provisions of the Paperwork Reduction Act (44 U.S.C. chapter 35), agencies are required to

⁹ 15 U.S.C. 78f(b)(6).

¹⁰ The Commission believes that PCX's amendment to PCX Rule 6.35 should help to clarify that Market Makers must apply for primary appointments and that a Market Maker's refusal to accept a primary appointment zone may be deemed a sufficient cause for termination or suspension of the Market Maker's registration.

¹¹ See Securities Exchange Act Release No. 47838 (May 13, 2003), 68 FR 27129 (May 19, 2003) (File No. SR-PCX-2002-36) (order approving PCX Plus, the Exchange's new electronic platform for options trading).

¹² 15 U.S.C. 78s(b)(2).

¹³ 17 CFR 200.30-3(a)(12).

submit proposed reporting and recordkeeping requirements to OMB for review and approval, and to publish a notice in the **Federal Register** notifying the public that the agency has made such a submission.

DATES: Submit comments on or before December 8, 2003. If you intend to comment but cannot prepare comments promptly, please advise the OMB Reviewer and the Agency Clearance Officer before the deadline.

Copies: Request for clearance (OMB 83-1), supporting statement, and other documents submitted to OMB for review may be obtained from the Agency Clearance Officer.

ADDRESSES: Address all comments concerning this notice to: Agency Clearance Officer, Jacqueline White, Small Business Administration, 409 3rd Street, SW., 5th Floor, Washington, DC 20416 and *David Rostker@omb.eop.gov*, fax number 202-395-7285 Office of Information and Regulatory Affairs, Office of Management and Budget.

FOR FURTHER INFORMATION CONTACT:

Jacqueline White, Agency Clearance Officer, (202) 205-7044.

SUPPLEMENTARY INFORMATION: Title:

Statement of Personal History.

No.: 1081.

Frequency: On Occasion.

Description of Respondents: Small Business Lending Companies.

Responses: 200.

Annual Burden: 100.

Jacqueline White,

Chief, Administrative Information Branch.

[FR Doc. 03-27872 Filed 11-5-03; 8:45 am]

BILLING CODE 8025-01-M

SMALL BUSINESS ADMINISTRATION

Development Company Program Job Opportunity Requirement

Title V of the Small Business Investment Act, section 501, defines the purpose of the Development Company Loan Program (504 Program) as fostering economic development and creating and preserving job opportunities in both urban and rural areas by providing long-term financing for small business concerns through the development company program. 504 loans are principally used by small businesses to build or to purchase long-term fixed assets (mostly acquiring land and constructing or renovating commercial buildings) to assist in the growth of the business. The 504 Program is required to create a certain minimum number of jobs as a result of 504 loans. A 504 loan is required to either create or retain a minimum number of jobs within two

years of the disbursement of the loan as a result of the project, or to meet other defined economic development objectives (13 CFR 120.861-120.862). In the final rule published on October 7, 2003, effective November 6, 2003, 13 CFR 120.861 states that "A Project must create or retain one Job Opportunity per an amount of 504 loan funding that will be specified by SBA from time to time in a **Federal Register** notice. Such Job Opportunity average remains in effect until changed by subsequent **Federal Register** publication." The current standard which was established in 1990 requires a 504 project to create or retain one Job Opportunity for every \$35,000 guaranteed by SBA. During the past twelve years since the Job Opportunity requirement was last modified, the cost of acquiring real estate has increased substantially. For example, construction wages have increased more than 65 percent and the consumer price index has increased 50 percent during the same period. Due to the substantial increases in costs, SBA is modifying the Job Opportunity requirements by approximately 43 percent effective November 6, 2003, as follows:

A Project must create or retain one Job Opportunity for every \$50,000 guaranteed by SBA.

James E. Rivera,

Associate Administrator for Financial Assistance.

[FR Doc. 03-27946 Filed 11-5-03; 8:45 am]

BILLING CODE 8025-01-P

SMALL BUSINESS ADMINISTRATION

Development Company Program Job Opportunity Requirement

Title V of the Small Business Investment Act, section 501, defines the purpose of the Development Company Loan Program (504 Program) as fostering economic development and creating and preserving job opportunities in both urban and rural areas by providing long-term financing for small business concerns through the development company program. 504 loans are principally used by small businesses to build or to purchase long-term fixed assets (mostly acquiring land and constructing or renovating commercial buildings) to assist in the growth of the business. The 504 Program is required to create a certain minimum number of jobs as a result of 504 loans. A 504 loan is required to either create or retain a minimum number of jobs within two years of the disbursement of the loan as a result of the project, or to meet other defined economic development objectives (13 CFR 120.861-120.862). In