

explicitly indicated support for the technical amendments to the interim standards rules, and none indicated opposition to the technical amendments. Thus, the Board made no modifications to this proposed rule.

In addition, many commenters requested that the Board identify how proposed, as well as final, standards affect the existing interim standards. While it may not always be practicable to identify exactly which portions of existing standards have been superseded or amended by new Board standards, the Board recognizes the need to provide auditors with as much guidance and clarity as possible. As future standards are adopted or amended, the Board intends to identify, to the greatest extent possible, those interim standards that are amended or superseded by standards issued by the Board.

III. Date of Effectiveness of the Proposed Rule Changes 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 Board consents the Commission will:

- (a) by order approve such proposed rule changes; or
- (b) institute proceedings to determine whether the proposed rule changes 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 changes are consistent with the Act. Comments may be submitted electronically or by paper. Electronic comments may be submitted by: (1) electronic form on the SEC Web site (<http://www.sec.gov>) or (2) e-mail to rule-comments@sec.gov. Mail paper comments in triplicate to Jonathan G. Katz, Secretary, Securities and Exchange Commission, 450 Fifth Street, NW, Washington, DC 20549-0609. All submissions should refer to File No. PCAOB-2003-11; this file number should be included on the subject line if e-mail is used. To help us process and review your comments more efficiently, please use only one method. The Commission will post all comments on the Commission's Internet Web site (<http://www.sec.gov>). Comments are also available for public inspection and copying in the Commission's Public

Reference Room, 450 Fifth Street, NW, Washington, DC 20549. We do not edit personal identifying information from submissions. You should submit only information that you wish to make available publicly. All comments should be submitted on or before April 14, 2004.

By the Commission.

J. Lynn Taylor,

Assistant Secretary.

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SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-49438; File No. SR-AMEX-2003-78]

Self-Regulatory Organizations; American Stock Exchange LLC; Order Approving a Proposed Rule Change Relating To Resolving Uncompared Options Transactions

March 17, 2004.

On August 27, 2003, the American Stock Exchange LLC ("Amex") filed with the Securities and Exchange Commission ("Commission") a proposed rule change pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act").¹ Notice of the proposal was published in the **Federal Register** on January 13, 2004.² No comment letters were received. For the reasons discussed below, the Commission is approving the proposed rule change.

I. Description

Amex will amend Rule 970 (Comparison of Option Transactions Excluded From Clearance) to reflect new procedures for resolving uncompared transactions in its Intra-Day Comparison System for Options ("IDCO"). The new IDCO format will now be consistent with Amex Rule 731, which governs the process for resolving uncompared equity transactions and the use of the Intra-Day Comparison System for Equities ("IDCE"). Specifically, members must now reconcile their uncompared options transactions through Amex's electronic on-line comparison system and will no longer use or manually sign paper Rejected Options Transaction Notices. Each member will be responsible for reviewing its uncompared transactions displayed on the system terminal and make any necessary modifications to the data according to Amex guidelines. All

uncompared transactions that remain uncompared in the system must be resolved no later than such time as Amex shall from time to time determines. For clarity and consistency, Amex will preserve the former Rule 970 language in the new Commentary to Rule 970.

II. Discussion

Section 6(b)(5) of the Act³ requires, among other things, that the rules of a national securities exchange be designed to remove the impediments to and perfect the mechanism of a national market system. The Commission finds that Amex's proposed rule change is consistent with this obligation because the new IDCO procedures, by utilizing current data processing and communications technology, will automate and should accelerate the reconciliation process for uncompared options transactions. In turn, this should reduce the risks and inefficiencies inherent in the use of paper documents in the post-trade processing of options transactions.

III. Conclusion

On the basis of the foregoing, the Commission finds that the proposal is consistent with the requirements of the Act and in particular with the requirements of section 6(b)(5) of the Act⁴ and the rules and regulations thereunder.

It is therefore ordered, pursuant to section 19(b)(2) of the Act, that the proposed rule change (File No. SR-AMEX-2003-78) be, and hereby is, approved.

For the Commission by the Division of Market Regulation, pursuant to delegated authority.⁵

Margaret H. McFarland,

Deputy Secretary.

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¹ 15 U.S.C 78s(b)(1).

² Securities Exchange Act Release No. 49024 (Jan. 6, 2004), 69 FR 2025.

³ 15 U.S.C. 78f(b)(5).

⁴ 15 U.S.C. 78f(b)(5).

⁵ 17 CFR 200.30-3(a)(12).