

powers conferred on it by the Act; is necessary and appropriate in the public interest and consistent with the protection of investors and the purposes fairly intended by the policy and provisions of the Act; and permits transactions the terms of which, including the consideration to be paid or received, are reasonable and fair and do not involve overreaching on the part of any person concerned.

The necessity for immediate action of the Commission does not permit prior notice of the Commission's action. Accordingly, IT IS ORDERED:

I. The Ability of Certain Registered Investment Companies To Borrow

The exemptions from sections 12(d)(3), 13(a)(2), 13(a)(3), 17(a) and 18(f)(1) granted in the September 14 Order are extended through September 28, 2001 subject to the terms and conditions set forth in the September 14 Order.

II. Interfund Lending Arrangements

Until September 28, 2001, any registered investment company currently able to rely on a Commission order permitting an interfund lending and borrowing facility ("IFL Order") may make loans through the facility in an aggregate amount that does not exceed 25 per cent of its current net assets at the time of the loan notwithstanding any lower limitation in the IFL Order, as long as the loan otherwise is made in accordance with the terms and conditions of the IFL Order.

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01-24189 Filed 9-26-01; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

Sunshine Act Meeting

FEDERAL REGISTER CITATION OF PREVIOUS ANNOUNCEMENT: [To be published Monday, September 24, 2001].

STATUS: Open meeting.

PLACE: 450 Fifth Street, NW., Washington, DC.

TIME AND DATE OF PREVIOUSLY ANNOUNCED MEETING: Tuesday, September 25, 2001 at 1:00 p.m.

CHANGE IN THE MEETING: Additional Item.

The following item has been added to the open meeting scheduled for Tuesday, September 25, 2001:

The Commission will consider whether to extend the compliance date

for certain amendments to Rule 482 under the Securities Act of 1993 and Rule 34b-1 under the Investment Company Act of 1940. These rule amendments require that fund advertisements and sales literature include standardized after-tax returns if the sales material either (i) includes after-tax performance information; or (ii) includes any performance information together with representations that the fund is managed to limit taxes. The compliance date for the rule amendments is October 1, 2001.

For further information contact Katy Mobedshahi, Staff Attorney, Division of Investment Management at (202) 942-0699.

Commissioner Unger, as duty officer, determined that Commission business required the above change and that no earlier notice thereof was possible.

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 (202) 942-7070.

Dated: September 24, 2001.

Jonathan G. Katz,

Secretary.

[FR Doc. 01-24279 Filed 9-24-01; 4:08 pm]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 44828/September 21, 2001]

Securities Exchange Act of 1934; Order Extending Emergency Order Pursuant to Section 12(k)(2) of the Securities Exchange Act of 1934 Taking Temporary Action to Respond to Market Developments Concerning the American Stock Exchange, LLC

The Commission is extending the Emergency Order Pursuant to Section 12(k)(2) of the Securities Exchange Act of 1934 Taking Temporary Action to Respond to Market Developments Concerning the American Stock Exchange LLC, Securities Exchange Act Release No. 44797 (September 16, 2001) ("Emergency Order") for five additional business days. Based on all available information, the Commission has determined that extending the Emergency Order is necessary in the public interest and for the protection of investors to maintain fair and orderly securities markets in the wake of their reopening following the attacks of September 11, 2001.

Therefore, it is Ordered, pursuant to section 12(k)(2) of the Securities

Exchange Act of 1934, that the Emergency Order is extended for another five business days, beginning on September 24, 2001, and ending on September 28, 2001.¹

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01-24186 Filed 9-26-01; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 44827/September 21, 2001]

Securities Exchange Act of 1934; Order Extending Emergency Order Pursuant to Section 12(k)(2) of the Securities Exchange Act of 1934 Taking Temporary Action to Respond to Market Developments

The Commission is extending the Emergency Order Pursuant to Section 12(k)(2) of the Securities Exchange Act of 1934 Taking Temporary Action to Respond to Market Developments, Securities Exchange Act Release No. 44791 (September 14, 2001) ("Emergency Order") for five additional business days. Based on all available information, the Commission has determined that extending the Emergency Order is necessary in the public interest and for the protection of investors to maintain fair and orderly markets in the wake of their reopening following the attacks of September 11, 2001.

Therefore, it is Ordered, pursuant to section 12(k)(2) of the Securities Exchange Act of 1934, that the Emergency Order is extended for another five business days, beginning on September 24, 2001, and ending on September 28, 2001.¹ The Commission also notes that the week of September 10, 2001 should continue to be excluded for purposes of calculating average daily trading volume ("ADTV") under Rule 10b-18.

¹ This Order extends the relief of the Emergency Order for the additional five business days allowed in Section 12(k)(2) of the Exchange Act. If the Commission believes that circumstances warrant further relief of this nature, it will consider whether it should take additional action, such as issuing orders under Section 12(k)(2) of the Exchange Act, Section 36 of the Exchange Act, or other provisions of the securities laws.

¹ This Order extends the relief of the Emergency Order for the additional five business days allowed in Section 12(k)(2) of the Exchange Act. If the Commission believes that circumstances warrant further relief of this nature, it will consider whether it should take additional action, such as issuing orders under Section 12(k)(2) of the Exchange Act, Section 36 of the Exchange Act, or other provisions of the securities laws.

By the Commission.

Margaret H. McFarland,

Deputy Secretary.

[FR Doc. 01-24188 Filed 9-26-01; 8:45 am]

BILLING CODE 8010-01-M

SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-44823; File No. SR-NFA-2001-01]

Self-Regulatory Organization; Notice of Filing and Immediate Effectiveness of Proposed Rule Change by National Futures Association Relating to Security Futures Products

September 20, 2001.

Pursuant to Section 19(b)(7) of the Securities Exchange Act of 1934 ("Exchange Act"),¹ and Rule 19b-7 under the Exchange Act,² notice is hereby given that on August 21, 2001, the National Futures Association ("NFA") filed with the Securities and Exchange Commission ("SEC" or "Commission") the proposed rule change described in Items I, II, III below, which Items have been prepared by NFA. The Commission is publishing this notice to solicit comments on the proposed rule change from interested persons.

On July 20, 2001, the NFA submitted the proposed rule change to the Commodity Futures Trading Commission ("CFTC") for approval. The CFTC approved the proposed rule change on August 20, 2001.³

I. Self-Regulatory Organization's Description of the Proposed Rule Change

The Commodity Futures Modernization Act of 2000 ("CFMA") amended Section 15A of the Exchange Act to add new subsection (k),⁴ which makes NFA a national securities association for the limited purpose of

regulating the activities of NFA Members who are registered as brokers or dealers in security futures products under Section 15(b)(11) of the Exchange Act.⁵ The most significant provisions of the proposed rule change would make the requirements that apply to the security futures activities of these NFA Members reasonably comparable to those that apply to NASD members,⁶ as required by Section 15(k)(2) of the Exchange Act.⁷

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

NFA has prepared statements concerning the purpose of, and basis for, the proposed rule change, burdens on competition, and comments received from members, participants, and others. The text of these statements may be examined at the places specified in Item IV below. These statements are set forth in Sections A, B, and C below. The text of the proposed rule change is available at the Office of the Secretary, NFA, and on the Commission's web site (<http://www.sec.gov>).

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

1. Purpose

The CFMA lifted the 18-year ban on single stock futures and narrow-based security indices (security futures products) and regulates these products as both securities and futures. The CFMA amended Section 15A of the Exchange Act to add new subsection (k),⁸ which makes NFA a national securities association for the limited purpose of regulating the activities of NFA Members who are registered as brokers or dealers in security futures products under Section 15(b)(11) of the Exchange Act,⁹ which was also added by the CFMA. Section 15A(k)(2)¹⁰ requires NFA to have anti-fraud, anti-manipulation, and customer protection rules reasonably comparable to those of the National Association of Securities Dealers, Inc. ("NASD") for the purpose

of governing the security futures activities of these Section 15(b)(11)¹¹ broker-dealers.

NFA represents that it already has anti-fraud, anti-manipulation, and customer protection rules that have proven effective in governing the futures activities of NFA Members. However, NFA's rules sometimes take a different approach than NASD's rules and, as a result, they do not correspond in every instance. Therefore, NFA has adopted the proposed rule change in order to ensure that NFA meets the standards imposed by Section 15A(k)(2) of the Exchange Act.¹²

In NFA staff's discussions with SEC staff, SEC staff suggested that NFA's rules should be comparable to those NASD rules that apply to options since both are derivative instruments. SEC staff also told NFA to include those rules that apply to writing options since the risks of futures transactions are more similar to the risks of writing options than to the risks of purchasing them. These principles guided NFA in developing the proposed rule change. A more detailed discussion of the rule change follows.

a. Bylaw 1101 (Doing Business With Non-Members)

Bylaw 1101 prohibits NFA Members from doing business with non-Members who are required to be registered with the CFTC as futures commission merchants ("FCMs"), introducing brokers ("IBs"), commodity pool operators ("CPOs"), or commodity trading advisors ("CTAs"). Section 4f(a)(4)(C) of the Commodity Exchange Act ("CEA")¹³ provides that registered futures associations may not prohibit their members from doing security futures business with FCMs and IBs registered under Section 4f(a)(2) of the CEA.¹⁴ Bylaw 1101 has been amended accordingly.

b. Bylaw 1507, Compliance Rule 1-1, and Code of Arbitration Section 1 (Definitions)

The definition of futures has been amended to include security futures products. The amendments make it clear that NFA has both compliance and arbitration jurisdiction over security futures transactions involving its NFA Members.

Compliance Rule 1-1 has also been amended to add a definition of "Exchange Act," since the Exchange Act

¹ 15 U.S.C. 78s(b)(7).

² 17 CFR 240.19b-7.

³ On August 29, 2001, the NFA submitted a proposed rule change to the CFTC to amend the "Interpretive Notice on Obligation to Customers and Other Market Participants" ("Interpretive Notice") that is included in the instant proposed rule change. On September 7, 2001, pursuant to Section 17(j) of the Commodity Exchange Act, 7 U.S.C. 21(j), the CFTC deemed the proposed rule change to amend the aforementioned Interpretive Notice to be effective. Telephone conversation with Kathryn Camp, Associate General Counsel, NFA, and Marc McKayle and Andrew Shipe, Special Counsel, Division of Market Regulation ("Division"), Commission, on September 13, 2001. On September 18, 2001, the NFA filed a proposed rule change (SR-NFA-2001-02) with the Commission that incorporates the amendment to the Interpretive Notice.

⁴ 15 U.S.C. 78o-3(k).

⁵ 15 U.S.C. 78o(b)(11).

⁶ For purposes of clarity, references to "NASDR," "NASDR members" and "NASDR Conduct Rules" in this notice have been changed to "NASD," "NASD members" and "NASD Rules," respectively. Telephone conversation with Kathryn Camp, Associate General Counsel, NFA, and Nancy Sanow, Assistant Director, and Marc McKayle, Special Counsel, Division, Commission, on September 19, 2001.

⁷ 15 U.S.C. 78o-3(k)(2).

⁸ 15 U.S.C. 78o-3(k).

⁹ 15 U.S.C. 78o(b)(11).

¹⁰ 15 U.S.C. 78o-3(k)(2).

¹¹ 15 U.S.C. 78o(b)(11).

¹² 15 U.S.C. 78o-3(k)(2).

¹³ 7 U.S.C. 6f(a)(4)(C).

¹⁴ 7 U.S.C. 6f(a)(2).