

*Total Burden Cost (capital/startup):* \$0.00.

*Total Burden Cost (operating/maintaining):* \$0.00.

Comments submitted in response to this notice will be summarized and/or included in the request for OMB approval of the information collection request; they will also become a matter of public record.

Dated: July 5, 2002.

**Grace A. Kilbane,**

*Administrator, Office of Workforce Security.*

[FR Doc. 02-17447 Filed 7-10-02; 8:45 am]

BILLING CODE 4510-30-P

## SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-46164; File No. SR-EMCC-2000-01]

### Self-Regulatory Organizations; Emerging Markets Clearing Corporation; Order Approving a Proposed Rule Change Relating to Financial Statements Prepared in Accordance With International Accounting Standards or United Kingdom Generally Accepted Accounting Principles

July 3, 2002.

On February 29, 2000, the Emerging Markets Clearing Corporation ("EMCC") filed a proposed rule change with the Securities and Exchange Commission ("Commission") pursuant to Section 19(b)(1) of the Securities Exchange Act of 1934 ("Act")<sup>1</sup> and on October 26, 2000, and on November 13, 2000, amended its proposed rule change. Notice of the proposal was published in the **Federal Register** on December 13, 2000.<sup>2</sup> One comment letter was received.<sup>3</sup> For the reasons discussed below, the Commission is approving the proposed rule change.

#### I. Description

EMCC's rule change will modify EMCC rule 2, section 3(b) to permit EMCC to accept financial statements from an applicant prepared in accordance with International Accounting Standards ("IAS") or United Kingdom Generally Accepted Accounting Principles ("UK GAAP") without requiring the applicant to provide a discussion of the material variations of such accounting principles from United States Generally Accepted

Accounting Principles ("US GAAP") unless EMCC determines that circumstances warrant the applicant's providing such discussion. For financial statements prepared in accordance with any other accounting standard, the applicant must still provide EMCC with a discussion of the material variations of the accounting principles used from US GAAP.<sup>4</sup>

When membership requirements were initially established in 1996, EMCC's staff had minimal experience in analyzing non-U.S. financial statements. Therefore, EMCC deemed it prudent to require applicants submitting audited financial statements prepared on a basis other than US GAAP to provide a discussion of the material differences. Since that time, EMCC's staff's familiarity with, understanding of, and expertise in evaluating financial statements not prepared in accordance with US GAAP has significantly increased.<sup>5</sup>

When assessing an applicant's qualifications for EMCC membership, the audited financial statements comprise only a portion of the materials provided to and reviewed by EMCC. Such additional materials include, but are not limited to, reports filed with the applicant's primary regulator, interim financials, and a detailed risk management questionnaire. To assure itself that the applicant's financial responsibility and operational capability is sufficient for membership, EMCC might also require an applicant to make its books and records available to EMCC. Thus, EMCC has the ability to seek information it deems necessary or relevant to sufficiently assess and review an applicant's qualifications and capability for membership.

#### II. Comments

Edmund L. Jenkins, Chairman of the Financial Accounting Standards Board, suggested that the Commission delay approval of EMCC's proposed rule change until the Commission passes judgment on the suitability of financial statements prepared according to non-U.S. accounting standards without

supplemental information in the context of an SEC concept release.<sup>6</sup>

#### III. Discussion

The Commission finds that the proposed rule change is consistent with the Act's requirements and the rules and regulations thereunder and particularly with the requirements of section 17A(b)(3)(F) of the Act.<sup>7</sup> Section 17A(b)(3)(F) of the Act requires that the rules of a clearing agency be designed to promote the prompt and accurate clearance and settlement of securities transactions. By enabling EMCC to accept financial statements from prospective members that are prepared in accordance with IAS or UK GAAP without a discussion of the material variations of these accounting principles from US GAAP should facilitate the timely review and processing of an applicant's membership application and should encourage additional applicants to seek EMCC membership, which should have the effect of increasing EMCC's membership. Expanded EMCC membership would result in more firms availing themselves of the efficiencies obtained through use of a registered clearing agency, which should promote the prompt and accurate clearance and settlement of securities transactions eligible for processing at EMCC. Furthermore, because of EMCC's staff's familiarity with, understanding of, expertise in evaluating financial statement prepared in accordance with IAS or UK GAAP, EMCC can dispose of the requirement of a statement of material differences from US GAAP for these two accounting principles without any lessening of its ability to provide safe clearance and settlement services.

In response to the one commenter, EMCC's rule change differs from the Commission's consideration of potential changes to the filing requirements for securities issued to the general public by foreign issuers. EMCC's rule change deals only with EMCC's requirements for the financial reports of its own members and prospective members, which are sophisticated and highly regulated banks and broker-dealers that are engaged in the business of trading emerging market securities. This rule change has no effect on any financial statements filed with the Commission (financial statements filed with the Commission must be prepared in

<sup>4</sup> Pursuant to EMCC's rules, EMCC requires its members to submit audited financial statements and other interim periodic financial statements. EMCC will also allow its members to provide these financial statements prepared in accordance with IAS or UK GAAP without requiring the member to provide a discussion of the material variations of such accounting principles from US GAAP unless EMCC determines that circumstances warrant the applicant's providing such discussion.

<sup>5</sup> EMCC has stated that its staff responsible for reviewing financial statements not prepared in accordance with US GAAP will remain informed of the material variations between US GAAP and IAS and between US GAAP and UK GAAP.

<sup>6</sup> Securities Exchange Act Release No. 42430 (Feb. 16, 2000), 65 FR 8896 (Feb. 23, 2000). This concept release sought public comment on the subject of whether and under what conditions the Commission should accept foreign private issuers' financial statements that are prepared according to IAS.

<sup>7</sup> 15 U.S.C. 78q-1(b)(3)(F).

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

<sup>2</sup> Securities Exchange Act Release No. 43675 (Dec. 5, 2000), 65 FR 77948.

<sup>3</sup> Letter from Edmund L. Jenkins, Chairman, Financial Accounting Standards Board (Jan. 3, 2001).

accordance with US GAAP) and has no effect on the ability of U.S. public investors' access to financial information of the underlying emerging market securities.

#### IV. 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 17A of the Act 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-EMCC-2000-01) be, and hereby, is approved.

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

**Margaret H. McFarland,**

*Deputy Secretary.*

[FR Doc. 02-17432 Filed 7-10-02; 8:45 am]

**BILLING CODE 8010-01-M**

#### SMALL BUSINESS ADMINISTRATION

##### [Declaration of Disaster #3426]

##### State of Arizona; (Amendment #1); Disaster Loan Areas

In accordance with a notice received from the Federal Emergency Management Agency, dated July 2, 2002, the above numbered declaration is hereby amended to include Coconino and Gila Counties in the State of Arizona as disaster areas due to damages caused by wildfires occurring on June 18, 2002 and continuing.

In addition, applications for economic injury loans from small businesses located in the following contiguous counties may be filed until the specified date at the previously designated location: Maricopa, Mohave, Pinal and Yavapai Counties in Arizona; and Kane County in Utah. All other counties contiguous to the above named primary counties have been previously declared.

All other information remains the same, *i.e.*, the deadline for filing applications for physical damage is August 24, 2002, and for economic injury the deadline is March 25, 2003.

(Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: July 5, 2002.

**S. George Camp,**

*Acting Associate Administrator for Disaster Assistance.*

[FR Doc. 02-17465 Filed 7-10-02; 8:45 am]

**BILLING CODE 8025-01-P**

#### SMALL BUSINESS ADMINISTRATION

##### [Declaration of Disaster #3428]

##### State of Texas; Disaster Loan Areas

As a result of the President's major disaster declaration on July 4, 2002, I find that Bexar, Blanco, Comal, Hays, Kerr and Medina Counties in the State of Texas constitute a disaster area due to damages caused by severe storms and flooding occurring on June 29, 2002 and continuing. Applications for loans for physical damage as a result of this disaster may be filed until the close of business on September 2, 2002 and for economic injury until the close of business on April 4, 2003 at the address listed below or other locally announced locations:

U.S. Small Business Administration,  
Disaster Area 3 Office, 4400 Amon  
Carter Blvd., Suite 102, Fort Worth,  
TX 76155

In addition, applications for economic injury loans from small businesses located in the following contiguous counties may be filed until the specified date at the above location: Atascosa, Bandera, Burnet, Caldwell, Edwards, Frio, Gillespie, Guadalupe, Kendall, Kimble, Llano, Real, Travis, Uvalde, Wilson and Zavala in the State of Texas.

The interest rates are:

	Percent
For Physical Damage:	
Homeowners with Credit available elsewhere .....	6.750
Homeowners without Credit available elsewhere .....	3.375
Businesses with Credit available elsewhere .....	7.000
Businesses and non-profit organizations without credit available elsewhere .....	3.500
Others (including non-profit organizations) with credit available elsewhere .....	6.375
For Economic Injury:	
Businesses and small agricultural cooperatives without credit available elsewhere ...	3.500

The number assigned to this disaster for physical damage is 342811. For economic injury the number is 9Q4900. (Catalog of Federal Domestic Assistance Program Nos. 59002 and 59008)

Dated: July 5, 2002.

**S. George Camp,**

*Acting Associate Administrator for Disaster Assistance.*

[FR Doc. 02-17466 Filed 7-10-02; 8:45 am]

**BILLING CODE 8025-01-P**

#### SOCIAL SECURITY ADMINISTRATION

##### Statement of Organization, Functions and Delegations of Authority

This statement amends Part S of the Statement of the Organization, Functions and Delegations of Authority, which covers the Social Security Administration (SSA). Notice is hereby given that both the Information Technology Systems Review Staff (S1J-2) and the Office of Information Systems Security (S1NG) in the Office of the Deputy Commissioner Finance, Assessment and Management (S1) are abolished. The policy functions of both this staff and this office are transferred to the new Office of the Chief Information Officer. The operational program management responsibility for IT systems security is consolidated in the new Office of Systems Security Operations Management under the Deputy Commissioner Finance, Assessment and Management's Office of Financial Policy and Operations (S1N). The new material and changes are as follows:

*Section S1.00 The Office of the Deputy Commissioner Finance, Assessment Management—(Mission)*

Replace with the following:

The Office of the Deputy Commissioner Finance, Assessment and Management (ODCFAM) directs the administration of comprehensive SSA management programs including budget, acquisition and grants, facilities management and publications and logistics. The Office directs the development of Agency policies and procedures as well as the management of the Agency financial management systems. It directs the evaluation of programs operations quality and the management of Agency quality assurance, management integrity and the oversight of SSA's matching operations.

*Section S1.10 The Office of the Deputy Commissioner Finance, Assessment Management —(Organization)*

Delete C.2. The Information Technology Systems review Staff (S1J-2).

Re-number C.3. to C.2.

*Section S1N.10 The Office of Financial Policy and Operations—(Organization)*

Delete G. in its entirety

Add

G. The Office of Systems Security Operations Management

*Section S1N.20 Office of Financial Policy and Operations—(Functions)*

Delete G. in its entirety

Add

G. The Office of Systems Security Operations Management (OSSOM) directs, coordinates, and manages SSA's

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