

Federal Reserve

Friday
November 29, 1996

Part XLV

**Commodity Futures
Trading Commission**

Semiannual Regulatory Agenda

COMMODITY FUTURES TRADING COMMISSION (CFTC)

COMMODITY FUTURES TRADING COMMISSION

17 CFR Ch. I

Regulatory Flexibility Agenda

AGENCY: Commodity Futures Trading Commission.

ACTION: Semiannual regulatory agenda.

SUMMARY: The Commodity Futures Trading Commission, in accordance with the requirements of the Regulatory Flexibility Act, is publishing a semiannual agenda of significant rules which the Commission expects to propose or promulgate over the next year. The Commission welcomes comments from small entities and others on the agenda.

ADDRESSES: Comments should be sent to: Gerald P. Smith, Special Assistant to the Executive Director, Commodity Futures Trading Commission, 1155 21st Street NW., Washington, DC 20581, (202) 418-5160.

SUPPLEMENTARY INFORMATION: The Regulatory Flexibility Act, 5 U.S.C. 601 *et seq.* (RFA), sets forth a number of requirements for agency rulemaking.

Among other things, the RFA requires that:

(a) During the months of October and April of each year, each agency shall publish in the Federal Register a regulatory flexibility agenda which shall contain:

(1) A brief description of the subject area of any rule which the agency expects to propose or promulgate which is likely to have a significant economic impact on a substantial number of small entities;

(2) A summary of the nature of any such rule under consideration for each subject area listed in the agenda pursuant to paragraph (1), the objectives and legal basis for the issuance of the rule, and an approximate schedule for completing action on any rule for which the agency has issued a general notice of proposed rulemaking; and

(3) The name and telephone number of an agency official knowledgeable concerning the items listed in paragraph (1).

5 U.S.C. 602(a). The Commission has prepared an agenda of significant rules which it presently expects may be considered during the course of the next

year, irrespective of their potential impact on small entities.¹

The Commission's agenda represents its best estimate of significant rules which will be considered over the next 12 months.² In this regard, section 602(d) of the RFA, 5 U.S.C. 602(d), provides: "Nothing in [section 602] precludes an agency from considering or acting on any matter not included in a regulatory flexibility agenda or requires an agency to consider or act on any matter listed in such agenda."

For this edition of the Commission's regulatory agenda, the most important significant regulatory actions are included in The Regulatory Plan, which appears in Part II of this issue of the Federal Register. The Regulatory Plan entries are listed in the Table of Contents below and are denoted by a bracketed bold reference, which directs the reader to the appropriate Sequence Number in Part II.

The Commission's October 1996 regulatory flexibility agenda is set forth below.

Issued in Washington, DC, on September 20, 1996, by the Commission.

Jean A. Webb,
Secretary to the Commission.

Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
4373	Procedures for Involuntary Bulk Transfers or Liquidations of Customer Accounts	3038-AA77
4374	Use of Electronic Media by Commodity Pool Operators and Commodity Trading Advisors (Reg Plan Seq. No. 157)	3038-AB17
4375	Financial Reports of Futures Commission Merchants and Introducing Brokers	3038-AB18

References in boldface appear in the Regulatory Plan in Part II of this issue of the **Federal Register**.

Final Rule Stage

Sequence Number	Title	Regulation Identifier Number
4376	Risk Assessment for Holding Company Systems (Reg Plan Seq. No. 158)	3038-AB01
4377	Prohibition on Voting by Interested Members (Reg Plan Seq. No. 159)	3038-AB03

¹ The Commission has published its definition of small entity to be used by the Commission in connection with rulemaking proceedings. 47 FR 18618 (April 30, 1982). Pursuant to those definitions, the Commission is not required to list many of the agenda items contained in this regulatory flexibility agenda. See 5 U.S.C. 602(a)(1). Moreover, the Commission has previously certified, pursuant to section 605 of the RFA, 5 U.S.C. 605, that certain items contained in this agenda will not

have a significant economic impact on a substantial number of small entities. Accordingly, listing of a rule in this regulatory flexibility agenda should not in any event be taken as a determination that a rule, when proposed or promulgated, will in fact require a regulatory flexibility analysis. However, the Commission hopes that the publication of an agenda, which includes significant rules, regardless of their potential impact on small entities, may serve the public generally by providing an early and

meaningful opportunity to participate in and comment on the formulation of new or revised regulations.

² In addition to publishing the regulatory flexibility agenda, the Commission also makes available to the public, on a monthly basis, a calendar and, on a weekly basis, an advisory, which list rules that the Commission is considering or will consider in the near future.

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Final Rule Stage (Continued)

Sequence Number	Title	Regulation Identifier Number
4378	Financial Reporting and Debt-Equity Ratio Requirements for Futures Commission Merchants and Introducing Brokers (Reg Plan Seq. No. 160)	3038-AB13

References in boldface appear in the Regulatory Plan in Part II of this issue of the **Federal Register**.

Long-Term Actions

Sequence Number	Title	Regulation Identifier Number
4379	Account Identification for Orders Submitted on Behalf of Multiple Customer Accounts	3038-AB08
4380	Option Large Trader Report	3038-AB19

Completed Actions

Sequence Number	Title	Regulation Identifier Number
4381	Ethics Training for Registrants: Proficiency Training for Providers	3038-AB10
4382	Early Warning Reporting Requirements for Futures Commission Merchants	3038-AB11
4383	Minimum Financial Requirements, Prepayment of Subordinated Debt and Gross Collection of Exchange-Set Margin for Omnibus Accounts	3038-AB12
4384	Self-Regulatory Organization Automated Systems	3038-AB14
4385	Disclosure of Broker Association Membership	3038-AB15

COMMODITY FUTURES TRADING COMMISSION (CFTC)

Proposed Rule Stage

4373. PROCEDURES FOR INVOLUNTARY BULK TRANSFERS OR LIQUIDATIONS OF CUSTOMER ACCOUNTS

Priority: Substantive, Nonsignificant

Legal Authority: 7 USC 6d; 7 USC 6f; 7 USC 6g; 7 USC 6k; 7 USC 12a

CFR Citation: 17 CFR 1.68

Legal Deadline: None

Abstract: The CFTC will undertake a rulemaking proceeding to establish requirements concerning procedures to be followed by futures commission merchants and introducing brokers when bulk transfers or liquidations of customer accounts are made due to cessation or suspension of business or other special circumstances affecting the registrant.

Timetable:

Action	Date	FR Cite
NPRM	03/00/97	
NPRM Comment Period End	05/00/97	

Small Entities Affected: Undetermined

Government Levels Affected: None

Agency Contact: Lawrence B. Patent, Associate Chief Counsel, Division of Trading and Markets, Commodity Futures Trading Commission, 1155 21st Street NW., Washington, DC 20581
Phone: 202 418-5439

RIN: 3038-AA77

4374. • USE OF ELECTRONIC MEDIA BY COMMODITY POOL OPERATORS AND COMMODITY TRADING ADVISORS

Regulatory Plan: This entry is Seq. No. 157 in Part II of this issue of the Federal Register.

RIN: 3038-AB17

4375. • FINANCIAL REPORTS OF FUTURES COMMISSION MERCHANTS AND INTRODUCING BROKERS

Priority: Substantive, Nonsignificant

Legal Authority: 7 USC 6f; 7 USC 6g; 7 USC 12a(5)

CFR Citation: 17 CFR 1.10; 17 CFR 31.13

Legal Deadline: None

Abstract: The Commission is proposing to amend its Rule 1.10(d)(4) such that the use of a personal identification number when filing a financial report electronically with the Commission would be deemed to be a manual signature for the purpose of attesting to the truth and correctness of the information contained in the report. The proposal would also amend Rule 1.10(c) such that electronically filed financial reports would be filed with the Commission's Central Regional Office rather than with the regional office nearest the registrant's principal place of business. The Commission further proposes to eliminate the need

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Proposed Rule Stage

to separately bind certain portions of the financial reports in order for such portions to be accorded non-public treatment.

Timetable:

Action	Date	FR Cite
NPRM	10/00/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Lawrence T. Eckert, Attorney Advisor, Division of Trading and Markets, Commodity Futures Trading Commission, 1155 21st Street NW., Washington, DC 20581
Phone: 202 418-5449

RIN: 3038-AB18

COMMODITY FUTURES TRADING COMMISSION (CFTC)

Final Rule Stage

4376. RISK ASSESSMENT FOR HOLDING COMPANY SYSTEMS

Regulatory Plan: This entry is Seq. No. 158 in Part II of this issue of the Federal Register.

RIN: 3038-AB01

4377. PROHIBITION ON VOTING BY INTERESTED MEMBERS

Regulatory Plan: This entry is Seq. No. 159 in Part II of this issue of the Federal Register.

RIN: 3038-AB03

4378. FINANCIAL REPORTING AND DEBT-EQUITY RATIO REQUIREMENTS FOR FUTURES COMMISSION MERCHANTS AND INTRODUCING BROKERS

Regulatory Plan: This entry is Seq. No. 160 in Part II of this issue of the Federal Register.

RIN: 3038-AB13

COMMODITY FUTURES TRADING COMMISSION (CFTC)

Long-Term Actions

4379. ACCOUNT IDENTIFICATION FOR ORDERS SUBMITTED ON BEHALF OF MULTIPLE CUSTOMER ACCOUNTS

Priority: Substantive, Nonsignificant

CFR Citation: 17 CFR 1.35

Timetable:

Action	Date	FR Cite
NPRM	05/03/93	58 FR 26270
NPRM Comment Period End	06/17/93	
Final Action	11/00/97	
Final Action Effective	12/00/97	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Duane C. Andresen
Phone: 202 418-5492

RIN: 3038-AB08

4380. • OPTION LARGE TRADER REPORT

Priority: Substantive, Nonsignificant

Legal Authority: 7 USC 6g; 7 USC 6i; 7 USC 7; 7 USC 12a

CFR Citation: 17 CFR 15; 17 CFR 16; 17 CFR 17; 17 CFR 18; 17 CFR 19

Legal Deadline: None

Abstract: This action will require futures industry firms to file daily option large trader reports to the Commission on a daily basis. Currently, the firms report this data to multiple exchanges. The Commission can act as a central office for collecting the information and distributing it to the exchanges.

Timetable:

Action	Date	FR Cite
NPRM	07/18/96	61 FR 37409
NPRM Comment Period End	09/16/96	
Final Action	00/00/00	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Lamont L. Reese, Associate Director, Market Surveillance, Commodity Futures Trading Commission, 1155 21st Street NW., Washington, DC 29581
Phone: 202 418-5310

RIN: 3038-AB19

COMMODITY FUTURES TRADING COMMISSION (CFTC)

Completed Actions

4381. ETHICS TRAINING FOR REGISTRANTS: PROFICIENCY TRAINING FOR PROVIDERS

Priority: Substantive, Nonsignificant

CFR Citation: 17 CFR 3.34

Completed:

Reason	Date	FR Cite
Final Action	05/06/96	61 FR 20127
Final Action Effective	06/05/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Lawrence B. Patent

Phone: 202 418-5439

RIN: 3038-AB10

4382. EARLY WARNING REPORTING REQUIREMENTS FOR FUTURES COMMISSION MERCHANTS

Priority: Other Significant

CFR Citation: 17 CFR 1.12

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Completed Actions

Completed:

Reason	Date	FR Cite
Final Action	05/01/96	61 FR 19177
Final Action Effective	05/31/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Lawrence B. Patent
Phone: 202 418-5439

RIN: 3038-AB11

4383. MINIMUM FINANCIAL REQUIREMENTS, PREPAYMENT OF SUBORDINATED DEBT AND GROSS COLLECTION OF EXCHANGE-SET MARGIN FOR OMNIBUS ACCOUNTS

Priority: Other Significant

CFR Citation: 17 CFR 1.12; 17 CFR 1.17; 17 CFR 1.58

Completed:

Reason	Date	FR Cite
Final Action	05/01/96	61 FR 19177
Final Action Effective	05/31/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Lawrence B. Patent

Phone: 202 418-5439

RIN: 3038-AB12

4384. SELF-REGULATORY ORGANIZATION AUTOMATED SYSTEMS

Priority: Other Significant

CFR Citation: 17 CFR 1.68

Completed:

Reason	Date	FR Cite
Withdrawn	08/01/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Lois J. Gregory
Phone: 202 418-5483
Fax: 202 418-5536

RIN: 3038-AB14

4385. • DISCLOSURE OF BROKER ASSOCIATION MEMBERSHIP

Priority: Other Significant

Legal Authority: 7 USC 6b

CFR Citation: 17 CFR 156.4

Legal Deadline: None

Abstract: Commission Regulation 156.4 requires each contract market to make

available to the public generally and upon request a list of all registered broker associations at the contract market. The list must identify for each broker association the name of each person who is a member or otherwise has a direct beneficial interest in the broker association. The information which Regulation 156.4 requires contract markets to publicize already is being maintained by the contract markets pursuant to Commission Regulation 156.2(b).

Timetable:

Action	Date	FR Cite
Final Action	08/09/96	61 FR 41496
Final Action Effective	10/08/96	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: David P. Van Wagner, Special Counsel, Commodity Futures Trading Commission, 1155 21st Street NW., Washington, DC 20581
Phone: 202 418-5481

RIN: 3038-AB15

[FR Doc. 96-25327 Filed 11-27-96; 8:45 am]

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