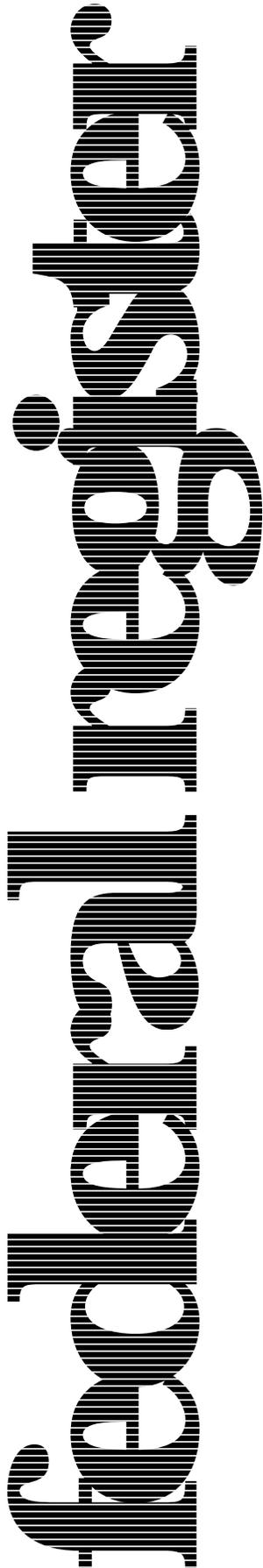

Friday
April 25, 1997



Part XLVI

**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 April and October 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."

The Commission's April 1997 regulatory flexibility agenda is set forth below.

Issued in Washington, DC, on March 11, 1997, by the Commission.

Jean A. Webb,
Secretary to the Commission.

Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
3943	Procedures for Involuntary Bulk Transfers or Liquidations of Customer Accounts	3038-AA77
3944	Securities Representing Investment of Customer Funds	3038-AB22

Final Rule Stage

Sequence Number	Title	Regulation Identifier Number
3945	Risk Assessment for Holding Company Systems	3038-AB01
3946	Prohibition on Voting by Interested Members	3038-AB03
3947	Account Identification for Orders Submitted on Behalf of Multiple Customer Accounts	3038-AB08
3948	Use of Electronic Media by Commodity Pool Operators and Commodity Trading Advisors	3038-AB17
3949	Option Large Trader Report	3038-AB19

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.

CFTC

Completed Actions

Sequence Number	Title	Regulation Identifier Number
3950	Financial Reporting and Debt-Equity Ratio Requirements for Futures Commission Merchants and Introducing Brokers	3038-AB13
3951	Financial Reports of Futures Commission Merchants and Introducing Brokers	3038-AB18
3952	Contract Market Rules; Submission of Rules to the Commission; Exemption of Certain Rules	3038-AB20
3953	Revised Procedures for Commission Review and Approval of Application for Contract Market Designations and of Exchange Rules Relating to Contract Terms and Conditions	3038-AB21

COMMODITY FUTURES TRADING COMMISSION (CFTC)

Proposed Rule Stage

3943. 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	10/00/97	
NPRM Comment Period End	12/00/97	

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

3944. • SECURITIES REPRESENTING INVESTMENT OF CUSTOMER FUNDS

Priority: Substantive, Nonsignificant
Legal Authority: 7 USC 6d; 7 USC 6g; 7 USC 12a(5)
CFR Citation: 17 CFR 1.23; 17 CFR 1.25; 17 CFR 1.27
Legal Deadline: None

Abstract: The proposed amendments will permit Futures Commission Merchants (FCMs) to increase or decrease the amount of funds segregated for the benefit of customers

by making direct transfers of permitted securities into and out of segregated safekeeping accounts. Currently, FCMs can only make direct transfers of cash to augment the customer segregated account.

Timetable:

Action	Date	FR Cite
NPRM	04/00/97	
NPRM Comment Period End	05/00/97	

Small Entities Affected: None
Government Levels Affected: None

Agency Contact: Lawrence B. Patent, Associate Chief Counsel, Division of Trading and Markets, Commodity Futures Trading Commission, 1155 Lafayette Center, 1155 21st Street NW., Washington, DC 20581
 Phone: 202 418-5156

RIN: 3038-AB22

COMMODITY FUTURES TRADING COMMISSION (CFTC)

Final Rule Stage

3945. RISK ASSESSMENT FOR HOLDING COMPANY SYSTEMS

Priority: Other Significant
Legal Authority: 7 USC 6f(c)
CFR Citation: 17 CFR 1.14; 17 CFR 1.15
Legal Deadline: None

Abstract: On December 21, 1994, the Commission adopted, as phase 1 of the risk assessment rulemaking, final rules with respect to maintenance and filing of organizational charts, risk

management policies, procedures and systems, and consolidated and consolidating financial statements. It also proposed "trigger" event reporting in the event of a 20 percent decline in a futures commission merchant's (FCM's) adjusted net capital. The Commission deferred action on the balance of the proposed rules, which related to reporting of position data and other data concerning FCM affiliates. With respect to the second phase of the rulemaking process, the Commission's staff will continue to work with other

financial regulators, particularly the Securities and Exchange Commission, to design a reporting framework that is harmonized across regulatory structures and, to the extent possible, reflective of a consensus as to which data are most meaningful to regulators and can be provided without undue burden.

Timetable:

Action	Date	FR Cite
NPRM	03/01/94	59 FR 9689
NPRM Comment Period End	07/01/94	

CFTC

Final Rule Stage

Action	Date	FR Cite
Phase I Risk Assessment for Holding Company Systems	12/28/94	59 FR 66674
Final Action	09/00/97	

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-AB01

3946. PROHIBITION ON VOTING BY INTERESTED MEMBERS

Priority: Other Significant

Legal Authority: 7 USC 7a(a)(17)

CFR Citation: 17 CFR 1.67; 17 CFR 1.69

Legal Deadline: None

Abstract: The regulation will implement the provisions of section 217 of the Futures Trading Practices Act of 1992, which require contract markets to adopt rules to avoid conflicts of interest in deliberations and voting by members of the governing board and disciplinary and other oversight committees. The rulemaking will define the relationships between a named party in interest and a member of the governing board or committee that would require abstention from deliberations and voting. The rulemaking will also provide guidelines on situations that would require a member to abstain from voting on a significant action because of a substantial financial interest in the outcome of the vote, based on positions held personally or at an affiliated firm, as well as on other matters addressed by the statute. The action potentially impacts the selection and composition of contract market governing boards and committees.

Timetable:

Action	Date	FR Cite
NPRM	05/03/96	61 FR 19869
NPRM Comment Period End	07/02/96	
Final Action	05/00/97	

Small Entities Affected: None

Government Levels Affected: None

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

RIN: 3038-AB03

3947. ACCOUNT IDENTIFICATION FOR ORDERS SUBMITTED ON BEHALF OF MULTIPLE CUSTOMER ACCOUNTS

Priority: Substantive, Nonsignificant

Legal Authority: 7 USC 7; 7 USC 7a; 7 USC 7b; 7 USC 8; 7 USC 12a; 7 USC 12c

CFR Citation: 17 CFR 1.35

Legal Deadline: None

Abstract: These rule amendments permit consolidated futures orders for multiple accounts to be placed and executed on contract markets without individual customer identification at time of entry or execution. Depending on the accounts, the person placing the order would identify accounts and either pre-file an allocation plan or certify certain facts.

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, Special Counsel, Division of Trading and Markets, Commodity Futures Trading Commission, 1155 21st Street NW., Washington, DC 20581
Phone: 202 418-5492

RIN: 3038-AB08

3948. USE OF ELECTRONIC MEDIA BY COMMODITY POOL OPERATORS AND COMMODITY TRADING ADVISORS

Priority: Other Significant

Legal Authority: 7 USC 2; 7 USC 6b; 7 USC 6c; 7 USC 6l; 7 USC 6m; 7 USC 6n; 7 USC 6o; 7 USC 12g

CFR Citation: 17 CFR 4.1; 17 CFR 4.2; 17 CFR 4.21; 17 CFR 4.26; 17 CFR 4.31; 17 CFR 4.36

Legal Deadline: None

Abstract: The CFTC is proposing certain technical changes to its rules governing filing and distribution of Disclosure Documents by commodity pool operators (CPOs) and commodity trading advisors (CTAs). These proposed rule amendments are intended to clarify certain rules that are premised upon the filing and distribution of paper documents, in light of the views set forth in the Commissions's recent interpretative release concerning the use of electronic media by CPOs and CTAs.

Timetable:

Action	Date	FR Cite
NPRM	08/27/96	61 FR 44009
NPRM Comment Period End	10/28/96	
Final Action	12/00/97	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Christopher W. Cummings, Attorney Advisor, Division of Trading and Markets, Commodity Futures Trading Commission, 1155 21st Street NW., Washington, DC 20581
Phone: 202 418-5445

RIN: 3038-AB17

3949. 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 on a weekly basis. The Commission will act as a central office for collecting 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	04/00/97	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Lamont L. Reese, Associate Director, Market Surveillance,

CFTC

Final Rule Stage

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

3950. FINANCIAL REPORTING AND DEBT-EQUITY RATIO REQUIREMENTS FOR FUTURES COMMISSION MERCHANTS AND INTRODUCING BROKERS**Priority:** Other Significant**CFR Citation:** 17 CFR 1.10; 17 CFR 1.12; 17 CFR 1.17; 17 CFR 1.18; 17 CFR 1.52; 17 CFR 3.33; 17 CFR 145.5; 17 CFR 147.3**Completed:**

Reason	Date	FR Cite
Final Action	01/31/97	62 FR 4633
Final Action Effective	06/30/97	

Small Entities Affected: None**Government Levels Affected:** None**Agency Contact:** Lawrence B. Patent
Phone: 202 418-5439

RIN: 3038-AB13

3951. FINANCIAL REPORTS OF FUTURES COMMISSION MERCHANTS AND INTRODUCING BROKERS**Priority:** Substantive, Nonsignificant**CFR Citation:** 17 CFR 1.10; 17 CFR 31.13**Completed:**

Reason	Date	FR Cite
Final Action	03/07/97	62 FR 10441
Final Action Effective	04/07/97	

Small Entities Affected: None**Government Levels Affected:** None**Agency Contact:** Lawrence T. Eckert
Phone: 202 418-5449

RIN: 3038-AB18

3952. • CONTRACT MARKET RULES; SUBMISSION OF RULES TO THE COMMISSION; EXEMPTION OF CERTAIN RULES**Priority:** Info./Admin./Other**Legal Authority:** 7 USC 6c; 7 USC 7; 7 USC 7a; 7 USC 8; 7 USC 12a**CFR Citation:** 17 CFR 1.41**Legal Deadline:** None**Abstract:** The proposed rulemaking would amend the Commission's procedures relating to its review of contract market rules that do not relate to contract terms and conditions. The proposal would shorten the Commission's time frame for reviewing complex rules and streamline the review process so that such rules generally could be deemed approved or be permitted to be put into effect without Commission approval.**Timetable:**

Action	Date	FR Cite
NPRM	12/17/96	61 FR 66241
NPRM Comment Period End	01/31/97	
Final Action	03/07/97	62 FR 10427
Final Action Effective	04/07/97	

Small Entities Affected: None**Government Levels Affected:** None**Agency Contact:** David P. Van Wagner, Special Counsel, Division of Trading and Markets, Commodity Futures Trading Commission, 1155 21st Street NW., Washington, DC 20581
Phone: 202 418-5481
Fax: 202 418-5536

RIN: 3038-AB20

3953. • REVISED PROCEDURES FOR COMMISSION REVIEW AND APPROVAL OF APPLICATION FOR CONTRACT MARKET DESIGNATIONS AND OF EXCHANGE RULES RELATING TO CONTRACT TERMS AND CONDITIONS**Priority:** Substantive, Nonsignificant**Legal Authority:** 7 USC 6(c); 7 USC 6c; 7 USC 7; 7 USC 7a; 7 USC 8; 7 USC 12a**CFR Citation:** 17 CFR 1.41; 17 CFR 5**Legal Deadline:** None**Abstract:** The Commission is amending its procedures relating to its review and approval of applications for contract market designation and proposed exchange rules relating to contract terms and conditions. These fast-track review procedures are intended further to streamline Commission review of applications for contract market designation and proposed exchange rule amendments of contract terms and conditions.**Timetable:**

Action	Date	FR Cite
NPRM	11/22/96	61 FR 59386
NPRM Comment Period End	01/16/97	
Final Action	03/07/97	62 FR 10434
Final Action Effective	04/07/97	

Small Entities Affected: None**Government Levels Affected:** None**Agency Contact:** Paul M. Architzel, Chief Counsel, Division of Economic Analysis, Commodity Futures Trading Commission, 1155 21st Street NW., Washington, DC 20581
Phone: 202 418-5267
Fax: 202 418-5527
Email: parchitzel@cftc.gov

RIN: 3038-AB21

[FR Doc. 97-6698 Filed 04-24-97; 8:45 am]

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