



Wednesday
October 29, 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 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 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 Commodity Futures Trading 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 1997 regulatory flexibility agenda is set forth below.

Issued in Washington, DC, on August 14, 1997, by the Commission.

Jean A. Webb,
Secretary to the Commission.

Proposed Rule Stage

Sequence Number	Title	Regulation Identifier Number
4136	Procedures for Involuntary Bulk Transfers or Liquidations of Customer Accounts	3038-AA77
4137	Trade Options on the Agricultural Commodities Enumerated in the Commodity Exchange Act (Reg Plan Seq. No. 162)	3038-AB23
4138	Distribution of Risk Disclosure Statements By Futures Commission Merchants and Introducing Brokers	3038-AB24

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
4139	Risk Assessment for Holding Company Systems	3038-AB01
4140	Prohibition on Voting by Interested Members (Reg Plan Seq. No. 163)	3038-AB03

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

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. 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

Long-Term Actions

Sequence Number	Title	Regulation Identifier Number
4141	Account Identification for Orders Submitted on Behalf of Multiple Customer Accounts	3038-AB08

Completed Actions

Sequence Number	Title	Regulation Identifier Number
4142	Use of Electronic Media by Commodity Pool Operators and Commodity Trading Advisors	3038-AB17
4143	Recordkeeping: Option Large Trader Reports by Futures Commission Merchants, Clearing Members, Foreign Brokers and Large Traders	3038-AB19
4144	Securities Representing Investment of Customer Funds	3038-AB22

COMMODITY FUTURES TRADING COMMISSION (CFTC)

Proposed Rule Stage

4136. 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	05/00/98	
NPRM Comment Period End	07/00/98	

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

4137. • TRADE OPTIONS ON THE AGRICULTURAL COMMODITIES ENUMERATED IN THE COMMODITY EXCHANGE ACT

Regulatory Plan: This entry is Seq. No. 162 in Part II of this issue of the **Federal Register**.

RIN: 3038-AB23

4138. • DISTRIBUTION OF RISK DISCLOSURE STATEMENTS BY FUTURES COMMISSION MERCHANTS AND INTRODUCING BROKERS

Priority: Substantive, Nonsignificant

Legal Authority: 7 USC 2; 7 USC 6b; 7 USC 6c; 7 USC 6g; 7 USC 12a

CFR Citation: 17 CFR 1.55; 17 CFR 1.65; 17 CFR 30.6; 17 CFR 33.7; 17 CFR 190.10

Legal Deadline: None

Abstract: Under the proposed amendments, futures commission merchants and introducing brokers would no longer be required to furnish risk disclosure statements to certain

categories of financially sophisticated customers or obtain from these customers written acknowledgement of receipt of these risk disclosure statements before opening or upon transfer of a futures or option account for such customers. In addition, futures commission merchants would no longer be required to provide these financially sophisticated customers with a statement pertaining to the treatment in bankruptcy of any non-cash property held as margin.

Timetable:

Action	Date	FR Cite
NPRM	10/00/97	
NPRM Comment Period End	11/00/97	
Final Action	01/00/98	
Final Action Effective	03/00/98	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Thomas E. Joseph, Staff Attorney, Commodity Futures Trading Commission, Three LaFayette Centre, 1155 21st Street, Washington, DC 20581
Phone: 202 418-5448
Fax: 202 418-5536

RIN: 3038-AB24

COMMODITY FUTURES TRADING COMMISSION (CFTC)

Final Rule Stage

4139. RISK ASSESSMENT FOR HOLDING COMPANY SYSTEMS

Priority: Substantive, Nonsignificant

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	
Phase I Risk Assessment for Holding Company Systems	12/28/94	59 FR 66674
Final Action	09/00/98	

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

4140. PROHIBITION ON VOTING BY INTERESTED MEMBERS

Regulatory Plan: This entry is Seq. No. 163 in Part II of this issue of the **Federal Register**.

RIN: 3038-AB03

COMMODITY FUTURES TRADING COMMISSION (CFTC)

Long-Term Actions

4141. 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	11/00/98	
Final Action Effective	12/00/98	

Small Entities Affected: None

Government Levels Affected: None

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

RIN: 3038-AB08

COMMODITY FUTURES TRADING COMMISSION (CFTC)

Completed Actions

4142. USE OF ELECTRONIC MEDIA BY COMMODITY POOL OPERATORS AND COMMODITY TRADING ADVISORS

Priority: Other Significant

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

Completed:

Reason	Date	FR Cite
Final Action	07/22/97	62 FR 39104
Final Action Effective	08/21/97	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Christopher W. Cummings
Phone: 202 418-5445

RIN: 3038-AB17

4143. RECORDKEEPING: OPTION LARGE TRADER REPORTS BY FUTURES COMMISSION MERCHANTS, CLEARING MEMBERS, FOREIGN BROKERS AND LARGE TRADERS

Priority: Substantive, Nonsignificant

CFR Citation: 17 CFR 1; 17 CFR 16; 17 CFR 17; 17 CFR 18; 17 CFR 19

Completed:

Reason	Date	FR Cite
Final Action	05/02/97	62 FR 24062
Final Action Effective	10/01/97	

Small Entities Affected: None

Government Levels Affected: None

Agency Contact: Lamont L. Reese
Phone: 202 418-5310

RIN: 3038-AB19

4144. SECURITIES REPRESENTING INVESTMENT OF CUSTOMER FUNDS

Priority: Substantive, Nonsignificant

CFR Citation: 17 CFR 1.23; 17 CFR 1.25; 17 CFR 1.27

Completed:

Reason	Date	FR Cite
Final Action	08/07/97	62 FR 42398
Final Action Effective	09/08/97	

Small Entities Affected: None

Government Levels Affected: None

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

RIN: 3038-AB22

[FR Doc. 97-22236 Filed 10-28-97; 8:45 am]

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