rules and regulations

Title 12—Banks and Banking

CHAPTER II—FEDERAL RESERVE SYSTEM

[Docket No. R-0021]

PART 226—TRUTH IN LENDING

Description of Finance Charges

On March 9, 1976, the Board published for comment in the FEDERAL REGISTER proposed amendments to §§ 226.8(c)(8)(i) and 226.8(d)(3) of Regulation Z (41 FR 10077). The amendments reflect the position stated in the Board's previously issued Interpretation § 226.820, stating that a finance charge must be itemized only where the total finance charge is composed of more than one type of charge. The Board now adopts those amendments as proposed.

The interpretation was issued on November 21, 1975, and affirmed the Board's position that finance charges consisting solely of one type of charge need not be further described as to the nature of that charge. The publication of this position as an interpretation rather than a formal rulemaking procedure was challenged in the recent case of *Hatten* v. *Board of Governors* (D.C. Conn. Civ. No. N76-14, filed January 7, 1976), in which plaintiffs argued that the issue should have been the subject of a substantive rulemaking procedure. While continuing to uphold the validity of the interpretation and the procedures used in adopting it, the Board on March 9, 1976, published its position as proposed amendments to the Regulation, in order to provide for a fuller opportunity for public comment.

The Notice of proposed rulemaking solicited comment on three alternative courses of action: (1) To clarify the Board's position that the requirement for itemization is confined to finance charges consisting of more than one type of charge; (2) to amend the Regulation to require itemization of finance charges regardless of the number of components in the finance charge; and (3) to eliminate entirely the requirement for itemization of the finance charge in all cases.

The Board received a total of 59 comments in response to the notice. Thirty-one of those responding, including seven out of eight Federal Reserve banks, a government agency, eleven banks, and four nonbank financial institutions, supported the proposed amendments to require itemization only in cases where the finance charge consists of more than one component. The remainder of the comments were almost evenly divided between the other alternatives, with 15 favoring itemization in all cases and 13 urging elimination of all itemization requirements. All consumer organizations and consumer representatives responding were in the former category, while the latter group consisted primarily of banks and a variety of nonbank creditor representatives.

Most of the 15 commenters supporting itemization of the finance charge in all cases took the position that this alternative provides the consumer with important additional information on the transaction and that such disclosure serves an important enforcement purpose by discouraging the creditor from concealing a variety of charges within a so-called single-component finance charge.

In the Board's view, Truth in Lending was intended to provide consumers with meaningful information which assists them in understanding credit terms and in comparing various sources of credit. Labels such as "finance charge (time price differential)" or "finance charge (interest)" would not seem to be of greater assistance to consumers than "finance charge" in fulfilling these purposes of the Act. In addition, the Board is concerned that a term which is of questionable benefit, when added to already lengthy and complex disclosure statements, could further detract from the important disclosures of annual percentage rate and total finance charge. On balance, the arguable benefits of this additional disclosure do not, in the Board's view, outweigh the need for simplified and concise Truth in Lending disclosures.

With regard to the possible enforcement benefits to be derived from itemization of a finance charge consisting of only one type of charge, the Board notes that the government agency and seven of the eight Federal Reserve banks commenting on the proposal did not support this alternative to require itemization in all cases. Since these agencies bear a primary enforcement responsibility for Truth in Lending, their comments provide evidence that required itemization of single-component finance charges would not significantly enhance their enforcement efforts.

Of the 13 commenters supporting the alternative of eliminating all requirements for itemization of finance charges, many took the position that further description of the components of a finance charge is unnecessary and potentially confusing. In the Board's view, however, the requirement for itemization of multiple-component finance charges was originally intended to serve primarily as an enforcement tool rather than an informational device. In view of the fact that no enforcement agency supported the alternative to eliminate this requirement, the Board believes that itemization of finance charges consisting of more than one type of charge may continue to serve a useful enforcement purpose.

Thirty-one commenters supported the proposed amendments to require itemization of multiple-component finance charges as an appropriate method of fulfilling the goals of the Act. In general, these commenters viewed the alternative of requiring itemization of single-component finance charges as unnecessary, but stated that the information derived from itemizing multiple-component finance charges might be useful to consumers.

After consideration of these comments, the Board has determined that, at the present time, the proposed amendments to require itemization where the finance charge consists of more than one type of charge would best serve the purposes of the Truth in Lending Act. In making this determination, the Board was particularly mindful of two factors. First, itemization is not required by the Truth in Lending Act itself but was added to Regulation Z primarily to help assure that all charges are properly taken into account in computing the total finance charge. The government agency and seven of the eight Federal Reserve banks responding, all of which have enforcement responsibility for the Act, supported the proposed amendments as opposed to either of the two alternatives. The Board views this as evidence that itemization of multiple-component finance charges may assist in enforcement of the Act. However, the Board does not view itemization of a single-component finance charge as necessary to fulfill this purpose. Second, the Board shares the concerns expressed in Congress and elsewhere that lengthy and complex Truth in Lending disclosures do not serve consumers' needs for clear and meaningful information and may be counterproductive to the goals of Truth in Lending.

Effective date: These amendments become effective August 6, 1976. Accordingly, Interpretation § 226.820, previously issued by the Board, is rescinded effective August 6, 1976, inasmuch as the amendments to the Regulation make this interpretation unnecessary.

Therefore, pursuant to the authority granted in 15 U.S.C. 1604 (1968), the Board hereby amends § 226.8 (c)(8) and (d)(3) of 12 CFR Part 226, effective August 6, 1976, as follows:

§ 226.8 Credit other than open end: specific disclosures.

* * * * *

(c) * * *

(8) * * *

(i) The total amount of the finance charge, using the term "finance charge," and where the total charge consists of

two or more types of charges, a description of the amount of each type, and

(ii) * * *

(d) * * *

(3) * * * the total amount of the finance charge,[11] using the term "finance charge," and where the total charge consists of two or more types of charges, a description of the amount of each type.

By order of the Board of Governors, July 6, 1976.

[SEAL] THEODORE E. ALLISON,
Secretary of the Board.

[FR Doc.76-20317 Filed 7-13-76;8:45 am]

SUBCHAPTER A—BOARD OF GOVERNORS OF THE FEDERAL RESERVE SYSTEM

PART 265—RULES REGARDING DELEGATION OF AUTHORITY

The Board of Governors of the Federal Reserve System has decided to amend its Rules Regarding Delegation of Authority, pursuant to the provision of section 11(k) of the Federal Reserve Act (12 U.S.C. 248(k)), to delegate to the Secretary of the Board the authority to approve future Annual Reports to the Office of Management and Budget on implementation of the Privacy Act (5 U.S.C. 552a).

The provisions of 5 U.S.C. 553, relating to notice and public participation and deferred effective date, are not being followed in connection with the adoption of this amendment because the rule involved relates solely to matters of agency procedure and practice, and does not constitute a substantive rule subject to the requirements of that section.

12 CFR Part 265 is amended by adding a new paragraph (17) to § 265.2(a) as follows:

§ 265.2 Specific functions delegated to Board employees and to Federal Reserve banks.

(a) The Secretary of the Board (or, in his absence, the Acting Secretary) is authorized:

* * * * *

(17) Pursuant to the requirement of the Privacy Act (5 U.S.C. 552a(p)), to approve future Annual Reports on the Privacy Act from the Board of Governors to the Office of Management and Budget for inclusion in the President's annual consolidated report to the Congress.

* * * * *

Effective date: These amendments are effective July 1, 1976.

Board of Governors of the Federal Reserve System.

J. P. GARBARINI,
Assistant Secretary of the Board.

[FR Doc.76-20315 Filed 7-13-76;8:45 am]

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[11] The disclosure required by this subparagraph need not be made with respect to interim student loans made pursuant to federally insured student loan programs under Pub. L. 89-329, Title IV Part B of the Higher Education Act of 1965, as amended.

Title 14—Aeronautics and Space

CHAPTER II—CIVIL AERONAUTICS BOARD

SUBCHAPTER A—ECONOMIC REGULATIONS

[Reg. ER-958; Amdt. 31]

PART 221—CONSTRUCTION, PUBLICATION, FILING AND POSTING OF TARIFFS OF AIR CARRIERS AND FOREIGN AIR CARRIERS

Editorial Amendment

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., July 8, 1976.

Part 221 of the Board's Economic Regulations (14 CFR Part 221) sets forth the regulations pertaining to tariffs of air carriers and foreign air carriers. Section 221.38(a)(5) requires, in part, that each tariff shall contain the rules and regulations relating to the transportation of explosives and other dangerous materials, and that such regulations shall be in conformity with Part 103 of the Federal Aviation Regulations (14 CFR Part 103).

By final rule published April 15, 1976 (41 FR 15972), the Materials Transportation Bureau of the Department of Transportation (DOT) issued amendments designed to consolidate its air, water, and surface transportation of hazardous materials regulations. As a result of that recodification, Part 103 of the Federal Aviation Regulations has been incorporated into 49 CFR Parts 171–173 and 175. Therefore it has become necessary to amend § 221.38(a)(5) of the Board's Economic Regulations so as to reflect that recodification of the Federal Aviation Regulations to which it refers.

This editorial amendment is issued by the undersigned pursuant to delegation of authority from the Board to the General Counsel in 14 CFR § 385.19, and shall become effective on August 3, 1976. Procedures for review of the amendment are set forth in Subpart C of Part 385 (14 CFR §§ 385.50 through 385.54).

Accordingly, the Board hereby amends § 221.38(a)(5) to read as follows:

§ 221.38 Rules and regulations.

(a) * * *

* * * * *

(5) The rules and regulations relating to the transportation of explosives and other dangerous or restricted articles, showing the articles which are not acceptable for transportation as well as those articles which are acceptable for transportation only when specified packing, marking, and labeling requirements have been met. Such rules and regulations shall further provide the specified packing, marking, and labeling requirements. All such provisions shall be in conformity with the applicable provisions of the Hazardous Materials Regulations set forth in 49 CFR Parts 171–173 and 175 (as amended or revised from time to time). The rules and regulations required by this subparagraph are required to be set forth only in those tariffs which contain rates or charges for the transportation of explosives and other dangerous or restricted articles or in a tariff issued in accordance with § 221.104.

* * * * *

(Secs. 204(a) and 403(a) of the Federal Aviation Act of 1958, as amended; 72 Stat. 743 and 758, as amended; 49 U.S.C. 1324 and 1373.)

By the Civil Aeronautics Board.

JAMES C. SCHULTZ,
General Counsel.

[FR Doc.76-20302 Filed 7-13-76;8:45 am]

SUBCHAPTER B—PROCEDURAL REGULATIONS

[Reg. PR-152, Amdt. 8]

PART 310—INSPECTION AND COPYING OF BOARD OPINIONS, ORDERS, AND RECORDS

Public Release of Board Decisions in Cases Where the Action of the Board is Subject to the Review or Approval of the President

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., July 9, 1976.

For the reasons stated in Regulation PS-69, issued contemporaneously herewith, the Civil Aeronautics Board hereby amends Part 310 of its Procedural Regulations (14 CFR Part 310), effective July 11, 1976, as follows:

Appendix B, heading (5), the third item described is changed to read as follows:

Copies of Board decisions awaiting Presidential action except as provided in section 399.101 of the Board's Policy Statements.

(Secs. 204, 801, and 1001, 72 Stat. 743, 782, and 788, 49 U.S.C. 1324, 1461, and 1481, and 5 U.S.C. 552.)

By the Civil Aeronautics Board.

PHYLLIS T. KAYLOR,
Acting Secretary.

[FR Doc.76-20301 Filed 7-13-76;8:45 am]

SUBCHAPTER F—POLICY STATEMENTS

[Reg. PS-69, Amdt. 48]

PART 399—STATEMENTS OF GENERAL POLICY

Public Release of Board Decisions in Cases Where the Action of the Board Is Subject to the Review or Approval of the President

Adopted by the Civil Aeronautics Board at its office in Washington, D.C., July 9, 1976.

On June 11, 1976, the President issued an Executive Order designed to establish Executive Branch procedures for the processing of Board decisions submitted to the President for approval or review in accordance with the provisions of section 801 of the Federal Aviation Act. Under the Executive Order the Board is authorized, with certain exceptions, to make public its decision on or after the sixth day following submission to the President. The attached policy statement sets forth the Board's policy with respect to the public release of such decisions.

Since the amendment relates to matters of agency procedure, notice and pub-

lic procedures hereon are required. The amendments shall become effective on July 11, 1976, which is the effective date of the Executive Order.

Accordingly, the Board hereby amends Part 399 of the statements of general policy (14 CFR 399), effective July 11, 1976, as follows:

1. Amend the table of contents to Part 399 to add a new § 399.101 to read as follows:

Sec. 399.101 Public release of Board decisions in cases where the action of the Board is subject to the review or approval of the President.

2. Add a new § 399.101 to read as follows:

§ 399.101 Public release of Board decisions in cases where the action of the Board is subject to the review or approval of the President.

(a) By Executive Order 11920, 41 FR 23665 (June 11, 1976), effective July 11, 1976, the President has authorized the issuance for public inspection of decisions by the Board in cases where the action of the Board is subject to the review or approval of the President in accordance with section 801 of the Federal Aviation Act. In the interest of national security, and in order to allow for consideration of appropriate action under Executive Order 11652, Executive Order 11920 provides that decisions shall be withheld from public disclosure for five days after submission to the President but may be released on or after the sixth day following receipt by the President as to all unclassified portions of the text if the Board is not notified by the Assistant to the President for National Security Affairs or his designee that all or part of the decision shall be withheld from public disclosure.

(b) It is the policy of the Board to release to the public all decisions by the Board in section 801 cases as promptly as possible but no later than the tenth working day following submission of such decision to the President. This period provides the Board with a reasonable opportunity to submit its decision to the President and await timely notice by the Assistant to the President for National Security Affairs as required by the Executive Order, and thereafter print and process its decision for publication, including the excision of any portions as may be required by the Assistant to the President for National Security Affairs. Where the Board is required to withhold portions of the text of its decision it shall make public by the tenth working day those portions of its decision which may be publicly released. Where the Board is required to withhold public release of its decision in its entirety it shall nonetheless publicly indicate that its decision has been transmitted to the President. The Board shall not publicly indicate that its decision has been transmitted to the President in those cases in which the Assistant to the President for National Security Affairs or his designee determines that classification of the existence of the decision is appropriate and so informs the Board.

(c) These provisions are also applicable to decisions submitted to the President for review pursuant to section 801 (b) of the Act. Under section 801(b), Board orders which suspend, reject or cancel a rate, fare, or charge for foreign air transportation, as well as orders rescinding the effectiveness of any such order, must be submitted to the President. The President may disapprove any such Board order no later than ten days following its submission by the Board. The Board proposes to allow the full ten-day period for the President to act (unless the President acts sooner) before publicly releasing its decision. Otherwise, public confusion could be created were the Board to release an order by the tenth day which the President can reject under 801(b) thereafter. As a general rule, the tenth day of the 801(b) Presidential review process coincides with the 29th day of the 30-day notice period under section 403(c), within which the Board may take appropriate suspension action. Thus, if the President rejects a Board suspension order, in most cases, the subject tariff automatically becomes effective. We here note that the public release of the Board's rejected order and the President's rejection may well be delayed beyond the ten-day period prescribed by this rule due to clerical and administrative delays; however, since the tariff is effective no notice problem arises. In any event, the Board shall publicly release its decision as promptly as possible.

(Secs. 204, 801, and 1001, 72 Stat. 743, 782, and 788, 49 U.S.C. 1324, 1461, and 1481, and 5 U.S.C. 552)

By the Civil Aeronautics Board.

PHYLLIS T. KAYLOR,
Acting Secretary.

[FR Doc.76-20300 Filed 7-13-76;8:45 am]

Title 17—Commodity and Securities Exchanges

CHAPTER I—COMMODITY FUTURES TRADING COMMISSION

PART 1—GENERAL REGULATIONS UNDER THE COMMODITY EXCHANGE ACT

Registration Fees; Correction

On July 17, 1975, the Commodity Futures Trading Commission amended 17 CFR 1.11 Registration fees; form or remittance, for the purpose of exempting associated persons filing on Form 4-Ra from the registration fee requirement (40 FR 30106). That amendment to the regulation inadvertently deleted language concerning the registration fee requirements for commodity trading advisors and commodity pool operators adopted May 12, 1975 (40 FR 20614). It is therefore necessary to amend 17 CFR 1.11 in order to correct the previous error. For the convenience of the reader, the text of the regulation is published in its entirety.

Because this amendment merely republishes an existing requirement, the Commission finds that the notice and public procedure specified in 5 U.S.C. 553 (b) and the publication 30 days before the effective date specified in 5 U.S.C. 553 (d) are inappropriate and unnecessary and, accordingly, has adopted the following amendment effective July 14, 1976.

In consideration of the foregoing, the Commission hereby amends § 1.11 in Chapter I, Part I of Title 17 of the Code of Regulations to read as follows:

§ 1.11 Registration fees; form of remittance.

Each application for registration, or renewal thereof, as a futures commission merchant shall be accompanied by a fee of $200, plus a fee of $6 for each domestic branch office and for each correspondent or agent, operating within the United States authorized to solicit or accept orders for the purchase or sale of any commodity for future delivery on behalf of the applicant. Each application for registration or renewal thereof as a floor broker or as an associated person shall be accompanied by a fee of $20, except that with respect to any application for registration, or renewal thereof, as an associated person filed on Form 4-Ra,[1] no fee is required. Each application for registration or renewal thereof, as a commodity trading advisor or commodity pool operator shall be accompanied by a fee of $50. Fees shall be remitted by money order, bank draft, or check, payable to the Commodity Futures Trading Commission.

(7 U.S.C. 12a (4) and (5) (Supp. IV, 1974).)

Issued in Washington, D.C., on July 9, 1976.

By the Commission.

WILLIAM T. BAGLEY,
Chairman, Commodity Futures Trading Commission.

[FR Doc.76-20253 Filed 7-13-76;8:45 am]

CHAPTER II—SECURITIES AND EXCHANGE COMMISSION

[Release No. 34-12602]

PART 240—GENERAL RULES AND REGULATIONS, SECURITIES EXCHANGE ACT OF 1934

PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934

Municipal Securities Dealer Registration and Withdrawal

On October 15, 1975, the Commission adopted Securities Exchange Act Rules 15Ba2-1, 15Ba2-2, and Form MSD,[2] governing the registration of municipal securities dealers under Section 15B(a) of the Securities Exchange Act of 1934 (the "Act").[3] At that time, the Commission did not consider rules governing the registration of successors to a registered municipal securities dealer, the registration of a fiduciary appointed to continue the business of such a registered munici-

[1] Form 4-Ra filed with original documents.

[2] 17 CFR 240.15Ba2-1, 240.15Ba2-2 and 249.1100. *See* Securities Exchange Act Release No. 11742 (October 15, 1975), 40 FR 49772 (1975).

[3] 15 U.S.C. 78o-4(a).

pal securities dealer, or the withdrawal from registration of a municipal securities dealer. In Securities Exchange Act Release No. 11876 (November 26, 1975)[3] ("Release No. 11876"), the Commission proposed Securities Exchange Act Rules 15Ba2–4, 15Ba2–5, 15Ba2–6, 15Ba3–1, and related Form MSDW,[4] governing those situations and proposed related amendments to Rule 15b1–3.[5] Although two commentators mentioned that they had no objection to the proposals, no substantive public comments were received by the Commission concerning these proposals, and the Commission has adopted the rules and amendments as proposed and has adopted Form MSDW with certain clarifying modifications.

The new rules adopted under Section 15B of the Act[6] provide for: (1) Registration of a successor to a registered municipal securities dealer (Rule 15Ba2–4),[7] (2) registration of fiduciaries (Rule 15Ba2–5), (3) adoption by a successor of an application filed by a predecessor municpal securities dealer (Rule 15Ba2–6), and (4) withdrawal of registration of a municipal securities dealer. (Rule 15Bc3–1). Those rules are patterned after, and are virtually identical in structure to, existing Rules 15b1–3, 15b1–4, 15b2–1 and 15b6–1,[8] governing brokers and dealers registered pursuant to Section 15(b) of the Act.[9]

Apart from an alteration in the time period in Rule 15b1–3, as discussed *supra* in note 7, no changes have been adopted concerning the Commission's registration rules under Section 15(b) of the Act. The existing rules are appropriate for the regulation of those municipal securities brokers and dealers who will be newly registered under Section 15(b) of the Act.[10]

STATUTORY BASIS

The Securities and Exchange Commission, acting pursuant to the provisions of the Act, 15 U.S.C. 78a et seq., as amended by the Securities Acts Amendments of 1975, Pub. L. No. 94–29 (June 4, 1975), and particularly Sections 2, 3, 15, 15B, 17, and 23 thereof (15 U.S.C. 78b, 78c, 78o, 78o–4, 78q, and 78w), hereby adopts §§ 240.15Ba2–4, 240.15Ba2–5, 240.15Ba2–6, and 240.15Bc3–1 of Part 17 of the Code of Federal Regulations and related Form MSDW, 17 CFR 249.1110, and amends § 240.15b1–3 of Part 17 of the Code of Federal Regulations, effective August 16, 1976. The Commission finds that any burdens on competition which may be imposed by the aforementioned rules and amendments are appropriate in furtherance of the purposes of the Act which contemplated that the Commission will establish procedures for the registration and withdrawal of registration of brokers, dealers, and municipal securities dealers.

(Secs. 2, 3, 15, 17, 23, 48 Stat. 881, 882, 895, 897, 901, as amended by secs. 2, 3, 11, 14, 18, 89 Stat. 97, 97–104, 121–127, 137–141, 155–156; sec. 13, 89 Stat. 131–137 (15 U.S.C. 78b, 78c, 78o, 78q, and 78w, as amended by Pub. L. No. 94–29; 15 U.S.C. 78o–4, as added by Pub. L. No. 94–29.))

By the Commission.

[SEAL] GEORGE A. FITZSIMMONS,
Secretary.

JULY 7, 1976.

1. Section 240.15b1–3 is amended by revising paragraph (a) as follows:

§ 240.15b1–3 Registration of successor to registered broker or dealer.

(a) In the event that a broker or dealer succeeds to and continues the business of another registered broker or dealer, the registration of the predecessor shall be deemed to remain effective as the registration of the successor for a period of 75 days after such succession, provided that an application for registration on Form BD is filed by such successor within 30 days after such succession.

* * * * *

2. Section 240.15Ba–2–4 is added as follows:

§ 240.15Ba2–4 Registration of successor to registered municipal securities dealer.

In the event that a municipal securities dealer succeeds to and continues the business of another registered municipal securities dealer the registration of the predecessor shall be deemed to remain effective as the registration of the successor for a period of 75 days after such succession, provided that an application for registration on Form MSD, in the case of a municipal securities dealer which is a bank or a separately identifiable department or division of a bank, or Form BD, in the case of any other municipal securities dealer, is filed by such successor within 30 days after such succession.

3. Section 240.15Ba2–5 is added as follows:

§ 240.15Ba2–5 Registration of fiduciaries.

The registration of a municipal securities dealer shall be deemed to be the registration of any executor, administrator, guardian, conservator, assignee for the benefit of creditors, receiver, trustee in insolvency or bankruptcy, or other fiduciary, appointed or qualified by order, judgment, or decree of a court of competent jurisdiction to continue the business of such registered municipal securities dealer, provided that such fiduciary files with the Commission, within 30 days after entering upon the performance of his duties, a statement setting forth as to such fiduciary substantially the information required by Form MSD, if the municipal securities dealer is a bank or a separately identifiable department of a bank, or Form BD, if the municipal securities dealer is other than a bank or a separately identifiable department or division of a bank.

4. Section 240.15Ba2–6 is added as follows:

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[3] 40 FR 60084 (1975).

[4] 17 CFR 240.15Ba2–4, 240.15Ba2–5, 240.15Ba2–6, 240.15Bc3–1, and 249.1110.

[5] 17 CFR 240.15b1–3. The Commission is currently studying proposed Rule 17a–21, which was also announced in Release No. 11876. In Securities Exchange Act Release No. 12468 (May 20, 1976), the Commission announced its action with respect to other proposals in Release No. 11876. Amendments to Rule 15c1–3 announced in Release No. 12468 omit a reference to municipal securities dealers contained in the rule as adopted and published at 41 FR 22820 (June 7, 1976). The text of the rule as amended is as follows:

§ 240.15c1–3 Misrepresentation by brokers, dealers and municipal securities dealers as to registration.

The term "manipulative, deceptive, or other fraudulent device or contrivance," as used in Section 15(c)(1) of the Act, is hereby defined to include any representation by a broker, dealer or municipal securities dealer that the registration of a broker or dealer, pursuant to Section 15(b) of the Act, or the registration of a municipal securities dealer pursuant to Section 15B(a) of the Act, or the failure of the Commission to deny or revoke such registration, indicates in any way that the Commission has passed upon or approved the financial standing, business, or conduct of such registered broker, dealer or municipal securities dealer or the merits of any security or any transaction or transactions therein.

[6] 15 U.S.C. 78o–4.

[7] The 75-day period in Rule 15Ba2–4 is intended to accommodate the 30-day period which the successor has to file his application and also the 45-day period which the Commission has to either approve the application or institute proceedings to disapprove the application. Since the procedure for handling applications of brokers and dealers under Section 15(b) of the Act, 15 U.S.C. 78o(b), also requires the Commission to act affirmatively on applications within 45 days (rather than permitting the application to become effective by lapse of time after 30 days), the Commission has amended Rule 15b1–3 to provide a 75-day time period for the registration of a predecessor to remain in effect after succession.

[8] 17 CFR 240.15b1–3, 240.15b1–4, 240.15b2–1 and 240.15b6–1.

[9] The only significant difference is that Rule 15Bc3–1 does not provide, as does Rule 15b6–1, that a withdrawal from registration which is otherwise effective shall not become effective for an additional six months for purposes of the Securities Investor Protection Act of 1970 ("SIPA"). Since municipal securities dealers registered under Section 15B(a) of the Act (i.e., banks and their departments and divisions and intrastate dealers) are not subject to SIPA, there appears to be no need to provide any additional time period.

[10] Neither the newly adopted rules for succession under Section 15B nor the Commission's existing succession rules under Section 15(b) provide procedures for the succession of a broker or dealer registered under Section 15(b) by a municipal securities dealer required to register under Section 15B, or the succession of a municipal securities dealer registered pursuant to Section 15B by a broker or dealer required to register under Section 15(b). The Commission believes that successions of that type will be infrequent and can be handled on a case-by-case basis under the Commission's authority under Sections 15(a)(2) and 15B(a)(4) to grant exemptions from registration when consistent with the public interest, the protection of investors, and, in the case of exemptions under Section 15B(a)(4), the purposes of Section 15B of the Act.

§ 240.15Ba2–6 Adoption of application filed by predecessor.

Registration of a municipal securities dealer pursuant to an application filed on behalf of such municipal securities dealer by a predecessor shall terminate on the 30th day after the effective date thereof unless the successor shall adopt the application as its own by filing a statement adopting such application on or before such date. Any statement adopting such an application shall constitute a representation to the Commission that the information contained in such application, and in the supplements and amendments thereto, is true and correct.

Section 240.15 Bc 3–1 is added as follows:

§ 240.15Bc3–1 Withdrawal from registration of municipal securities dealers.

(a) Notice of withdrawal from registration as a municipal securities dealer pursuant to section 15B(c) shall be filed on Form MSDW, in the case of a municipal securities dealer which is a bank or a separately identifiable department or division of a bank, or Form BDW, in the case of any other municipal securities dealer, in accordance with the instructions contained therein.

(b) Except as hereinafter provided, a notice to withdraw from registration filed by a municipal securities dealer pursuant to section 15B(c) shall become effective for all matters on the 60th day after the filing thereof with the Commission or within such shorter period of time as the Commission may determine. If a notice to withdraw from registration is filed with the Commission at any time after the date of the issuance of a Commission order instituting proceedings pursuant to section 15B(c) to censure, place limitations on the activities, functions or operations of, or suspend or revoke the registration of, such municipal securities dealer, or if, before the effective date of the notice of withdrawal pursuant to this paragraph (b), the Commission institutes such a proceeding or a proceeding to impose terms or conditions upon such withdrawal, the notice of withdrawal shall not become effective pursuant to this paragraph (b) except as such time and upon such terms and conditions as the Commission deems necessary or appropriate in the public interest or for the protection of investors.

(c) Every notice of withdrawal filed pursuant to this section shall constitute a "report" within the meaning of Section 17 and 32(a) of the Act.

ADOPTION OF FORM

Subpart L of Part 249 is hereby amended by adding § 249.1110 to that subpart as follows:

§ 249.1110 Form MSDW, Notice of withdrawal from registration as a municipal securities dealer pursuant to Rule 15Bc3–1 (17 CFR 240.15Bc3–1).

This form is to be used by a bank or a separately identifiable department or division of a bank (as defined by the Municipal Securities Rulemaking Board) to withdraw from registration with the Securities and Exchange Commission as a municipal securities dealer pursuant to section 15B(c) of the Securities Exchange Act of 1934.

NOTE.—Copies of Form MSDW have been filed with the Office of the Federal Register as part of this document. Copies of Form MSDW may be obtained from the Publications Section, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549.

FORM MSDW

Notice of Withdrawal From Registration as a Municipal Securities Dealer Pursuant to Rule 15Bc3–1 (17 CFR 240.15Bc3–1).

GENERAL INSTRUCTIONS

1. This Form is required by Securities Exchange Act Rule 15Bc3–1 (17 CFR 240.15Bc 3–1), which states:

Rule 15Bc3–1 Withdrawal from registration of municipal securities dealers.

(a) Notice of withdrawal from registration as a municipal securities dealer pursuant to Section 15B(c) shall be filed on Form MSDW, in the case of a municipal securities dealer which is a bank or a separately identifiable department or division of a bank, or Form BDW, in the case of any other municipal securities dealer, in accordance with the instructions contained therein.

(b) Except as hereinafter provided, a notice to withdraw from registration filed by a municipal securities dealer pursuant to Section 15B(c) shall become effective for all matters on the 60th day after the filing thereof with the Commission or within such shorter period of time as the Commission may determine. If a notice to withdraw from registration is filed with the Commission at any time after the date of the issuance of a Commission order instituting proceedings pursuant to Section 15B(c) to censure, place limitations on the activities, functions or operations of, or suspend or revoke the registration of, such municipal securities dealer, or if, before the effective date of the notice of withdrawal pursuant to this paragraph (b), the Commission institutes such a proceeding or a proceeding to impose terms or conditions upon such withdrawal, the notice of withdrawal shall not become effective pursuant to this paragraph (b) except at such time and upon such terms and conditions as the Commission deems necessary or appropriate in the public interest or for the protection of investors.

(c) Every notice of withdrawal filed pursuant to this section shall constitute a "report" within the meaning of Sections 17 and 32(a) of the Act.

2. One signed original and one signed copy of this Form must be completed and filed with the Securities and Exchange Commission, Washington, D.C. 20549, before registration as a municipal securities dealer may be terminated. An exact copy should be retained by the registrant. In addition, an original signed copy of the Form must be filed with registrant's appropriate regulatory agency, determined in accordance with Section 3(a)(34) of the Securities Exchange Act of 1934. Registrants which are national banks, banks operating under the Code of Law for the District of Columbia, or departments or divisions of such banks, must file Form MSDW with the Comptroller of the Currency, Washington, D.C. 20219; registrants which are State member banks of the Federal Reserve System, or departments or divisions of such banks, must file Form MSDW with the Federal Reserve Board, Washington, D.C. 20551; registrants which are banks insured by the Federal Deposit Insurance Corporation (other than members of the Federal Reserve System), or departments or divisions of such banks, must file Form MSDW with the Federal Deposit Insurance Corporation, Washington, D.C. 20429.

3. Both copies of this Form filed with the Commission shall be executed with a manual *signature* in Item 11. Form MSDW shall be signed in the name of the registrant by a principal officer of the registrant or, if registrant is a department or division of a bank, by a principal officer of the bank, in each case duly authorized to sign this Form, who is directly engaged in the management, direction, or supervision of the registrant's municipal securities dealer activities.

4. Individuals' names except the executing signature in Item 11 must be given in full, and all other items must be answered in full.

5. If the space provided for any answer is insufficient, the complete answer should be prepared on a separate sheet under the heading "Answer to Item ——" and attached to the Form. Reference thereto must be made on the Form under the item.

6. A Form MSDW which is not completed and signed properly may be returned as not acceptable for filing. Acceptance of this Form, however, will not mean that the Commission has found that it has been filed as required or that the information submitted is true, correct, or complete.

7. *Definitions:*

(a) Unless the context clearly indicates otherwise, all terms used in this Form have the same meaning as in the Securities Exchange Act of 1934 and in the General Rules and Regulations of the Commission thereunder (17 Code of Federal Regulations, Part 240).

(b) Municipal securities dealer activities—the term "municipal securities dealer activities" includes:

(1) Underwriting, trading and sales of municipal securities;

(2) Processing and clearance activities with respect to municipal securities;

(3) Research, analysis and the preparation of literature for use in connection with the activities described in (1) above; and

(4) Maintenance of records pertaining to the activities described in (1) through (3) above.

FORM MSDW

Notice of Withdrawal From Registration as a Municipal Securities Dealer Pursuant to Rule 15Ba3–1 (17 CFR 240.15Ba3–1).

Read instruction sheet before preparing form. Please print or type.

IN COMPLIANCE WITH THE APPLICABLE SECURITIES LAWS, THE REGISTRANT HEREBY SUBMITS THE FOLLOWING INFORMATION

1. Registrant is a: ☐ Bank ☐ Department or Division of a Bank

2. Full name of registrant:

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3. Name under which municipal securities dealer activities are conducted, if different from above:

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4. Address of actual location of registrant's principal place of business:

(No. and Street) (City) (State Zip Code)

5. If registrant is a department or division of a bank, name, principal business address, mailing address, if different, and telephone number of bank:

(Name)

(No. and Street) (City) (State Zip Code)

Address of bank's principal place of business

(No. and Street) (City) (State Zip Code)
Telephone Number:

(Area Code) (Telephone Number)

6. In connection with its activities as a municipal securities dealer does registrant owe any money or securites to any customer, broker, dealer, or municipal securities dealer? Yes ☐ No ☐

(If answer is "yes" furnish all the following information:)

(a) Amount of money owed_____
(b) Market value of securities owed_____
(c) Arrangements made for payment_____

7. Is registrant involved in any legal action or proceeding? Yes ☐ No ☐

If so, furnish complete information with respect to each.

8. Are there are unsatisfied judgments or liens against registrant?

Yes ☐ No ☐

If so, furnish complete information regarding each judgment and lien.

9. Furnish below the name and address of the person who has or will have custody or possession of registrant's books and records with respect to registrant's activities as a municipal securities dealer:

(Name)

(No. and Street) (City) (State Zip Code)

10. Furnish below the address of the place where such books and records will be located:

(No. and Street) (City) (State Zip Code)

11. EXECUTION. The registrant submitting this Form and its attachments and the person executing it to the best of the undersigned's knowledge and belief and on the basis of diligent inquiry, represent hereby that it, and all materials filed in connection with it contain a true, correct and complete statement of all required information.

Registrant also consents hereby to make the books and records he is required to preserve by rule or regulation of the Securities and Exchange Commission or the Municipal Securities Rulemaking Board available for examination by authorized representatives of the Securities and Exchange Commission during the period such rules require that such books and records be preserved; and hereby authorizes the person having custody of such books and records to make them available.

Dated the __ day of _____ 19__.

(Name of Registrant)

(Manual signature of duly authorized officer)

(Title)

ATTENTION

Intentional Misstatements or omissions of facts constitute federal criminal violations

(See 18 U.S.C. 1001 and 15 U.S.C. 78ff(a).)

[FR Doc. 76-20239 Filed 7-13-76;8:45 am]

Title 19—Customs Duties

CHAPTER II—UNITED STATES INTERNATIONAL TRADE COMMISSION

PART 201—RULES OF GENERAL APPLICATION

Confidential Business Information and Initiation of Investigations

The provisions contained herein establish regulations for this agency with regard to the classification of records, documents, and other information in conformity with the Freedom of Information Act, 5 U.S.C. 552, as amended by Pub. L. 93-502, 88 Stat. 1561, and pursuant to section 335 of the Tariff Act of 1930, as amended (72 Stat. 680; 19 U.S.C. 1335), section 135(g)(1)(A) of the Trade Act of 1974 (88 Stat. 1997-1998; 19 U.S.C. 2155), section 201(d)(2) of the Trade Act of 1974 (88 Stat. 2012; 19 U.S.C. 2251), section 406(a)(4) of the Trade Act of 1974 (88 Stat. 2062; 19 U.S.C. 2436), section 201(d)(3) of the Antidumping Act, 1921, as amended (88 Stat. 2045; 19 U.S.C. 160), and 18 U.S.C. 1905.

On November 21, 1975, a notice of proposed rulemaking was published in the FEDERAL REGISTER (40 FR 54265, as corrected in 40 FR 56936) proposing to revise title 19, chapter II, § 201.6, of the Code of Federal Regulations to provide rules and regulations for the submission, classification, and appeals from classification of confidential business information. Notice was given that comments concerning the proposed section were to be submitted to the United States International Trade Commission on or before January 5, 1976. The following comments have been received to this date.

A comment with respect to § 201.6(b)(2) objected to the requirement that in the absence of good cause shown any request for confidentiality relating to material to be submitted during the course of a hearing shall be submitted at least 3 working days prior to the commencement of such hearing. The comment suggested that the provision for showing good cause be omitted and the mandatory 3-day time limit be made directory rather than mandatory. It is the position of the Commission that the provisions of § 201.6(b)(2) are not burdensome. It will be the rare case in which material does not exist or has not been considered for presentation less than 3 days before the desired submission. The advanced ruling procedure will not be taxed by the few cases in which presentation for a ruling is delayed and good cause is shown. To omit the good cause requirement allowing delayed presentations would not only interfere with the ruling procedure for confidential materials, but unnecessarily burden hearings with procedural rulings.

Another comment stated that the language of § 201.6(b)(3) is ambiguous. The comment indicated that it was unclear whether the Commission required that it have the underlying materials for which confidential treatment was sought in its possession, control, or custody in order to make a ruling on confidentiality. The same comment suggested that the provision be reworded to provide that underlying materials need not be submitted with a request for a ruling as to their confidentiality. It is the position of the Commission that the submission of a written description of the nature of the subject information, a justification for the request for its confidential treatment, and a certification in writing under oath that substantially identical information is not available to the public will suffice for a ruling on confidentiality. It is the position of the Commission that a submitter has the option of providing the record, documents, or other information for which confidential treatment is sought at the time the written description of the information, the justification for the request for its confidential treatment, and certification that substantially identical information is not available to the public are provided for a ruling on the confidentiality of the information. In order to avoid any possible confusion concerning the Commission's position in this regard, an additional statement has been added to the end of the first sentence under § 201.6(b)(4).

A comment with respect to § 201.6(b)(3)(c) objected to the provision that the submitter of information requesting a ruling as to its confidentiality be required to certify in writing under oath that substantially identical information is not available to the public, that is, in public sources. The comment suggested that the affidavit was unnecessarily troublesome and the solemnity of an oath not necessary.

If the Commission determines, pursuant to this section, that the record, document, or other information submitted contains trade secrets or confidential business information, the Commission must determine whether the public right to be fully apprised as to the bases for Commission orders, recommendations, and conclusions outweighs the right for the protection of a competitive position. With these considerations, it is the position of the Commission that when confidential treatment of submitted information has been granted, the public is entitled to be fully apprised as to the bases of the Commission for the action and that a writing under oath is not inappropriate for such purposes.

Another comment objects to the provision of § 201.6(g) enabling a submitter to withdraw a tender of information not accorded confidential treatment "unless it is the subject of a request under the Freedom of Information Act or of judicial discovery proceedings." The comment indicates that allowing third parties immediate access to material not accorded confidential treatment under the Freedom of Information Act could have a "chilling effect on the submission of information to the Commission." It is the position of the Commission that persons wishing to submit information to