

**§ 931.74 [Amended]**

e. In § 931.74 the first sentence of first paragraph (a) is amended by removing the words "Sections 308(b)(5)(c) and 308(b)(4)" and inserting in their place the words "Section 308(b)(5)(c)".

f. In § 931.74 add the following paragraph (d):

(d) Allowable uses under Section 308(b)(5)(B) include:

(1) Planning and study that are necessary to provide new or improved public services that are required as a result of OCS energy activity.

(2) Paying for reasonable costs of administering the provision of assistance under Section 308 to the extent that funding for these administrative costs is not available under section 308(c).

[FR Doc. 82-13359 Filed 5-14-82; 6:45 am]

BILLING CODE 3510-08-M

## COMMODITY FUTURES TRADING COMMISSION

### 17 CFR Parts 1 and 17

#### Gross Collection of Exchange-Set Margins

**AGENCY:** Commodity Futures Trading Commission.

**ACTION:** Final rules.

**SUMMARY:** The Commodity Futures Trading Commission ("Commission") is adopting new Rule 1.58 which requires that carrying FCMs collect margin for positions carried in omnibus accounts on a gross basis and at a level which is no less than that established for customer accounts by the rules of the applicable market. The Commission is adopting such a rule in order to help to prevent, or at least limit, financial loss to customers, members of the marketplace and the marketplace itself which may be caused by the bankruptcy or insolvency of a futures commission merchant ("FCM") which is not a clearing member of a commodity exchange. The new rule will require the transfer of certain funds now controlled by an originating FCM to the generally better-capitalized clearing FCM, and it will strengthen the financial early warning system by providing carrying FCMs with greater information about the financial condition of those FCMs for which they are carrying omnibus accounts.

**EFFECTIVE DATE:** August 16, 1982.

**FOR FURTHER INFORMATION CONTACT:** Daniel A. Driscoll, Deputy Director, Division of Trading and Markets, Commodity Futures Trading

Commission, 2033 K Street, N.W., Washington, D.C. 20581. Telephone (202) 254-8955.

#### SUPPLEMENTARY INFORMATION:

##### I. Introduction

On December 29, 1981, the Commission published a proposed new Rule 1.58 which would require that carrying FCMs collect margin for positions carried in omnibus accounts on a gross basis and at a level which is no less than that established for customer accounts by the rules of the applicable contract market, as well as proposed amendments to Rule 17.04 regarding reporting of omnibus account positions, and solicited public comment thereon (46 FR 62864). The Commission received twelve written comments on the proposals. The commentators include eight FCMs and two commodity exchanges, one of which submitted two comment letters, as well as the National Futures Association ("NFA"). The Commission has carefully considered all of the comments received in response to the proposed rules.

##### II. Discussion

As the Commission stated in the Federal Register release announcing the proposal of Rule 1.58, the Commission believes that gross collection of exchange-set margins will strengthen the industry and enhance customer protection by moving segregated funds into the normally better-capitalized hands of a clearing member. The Commission recognizes the key role of the clearing members in assuring financial integrity and correcting potential problems.

As the Commission also stated in the Federal Register release announcing the proposal of Rule 1.58, the most significant difference in the financial monitoring program of the exchanges and the Commission's financial monitoring program is the information that the exchanges have about clearing members which the Commission does not have about non-clearing FCMs which carry their accounts with a clearing member FCM on an omnibus basis.<sup>1</sup> Such information is primarily developed from the pay and collect information that is generated by the individual clearing organizations. While the Commission could conceivably obtain such information directly from all originating FCMs, such a process would be cumbersome and would not involve an independent source such as a

<sup>1</sup> While the NFA is expected to develop a financial monitoring program for FCMs, it is anticipated that the NFA will encounter many of the same problems in obtaining information that the Commission has experienced.

carrying FCM or clearing organization. In addition to the information available to the exchanges about their clearing members through the pay and collect data, there is an informal information network existing among the FCM community. While such information is often communicated to exchange personnel, it rarely, if ever, reaches the Commission. To compensate for the information which is routinely obtained by the exchanges about their clearing member FCMs but which is not readily available to the Commission or in certain instances, any self-regulatory organization with respect to omnibus accounts, the Commission has determined to adopt a rule which will require the gross collection of exchange-set margins. In this regard, pay and collect information is unavailable even to the exchanges regarding omnibus accounts where the originating FCM is a member of one exchange placing orders for execution on another exchange where the FCM is not a member. Rule 1.58 will thus apply to all omnibus accounts and not only to those omnibus accounts of originating FCMs which are not members of any commodity exchange, as some commentators suggested.

One concern expressed by some commentators related to the investment of customer funds. The Commission stated in the Federal Register release announcing the proposal of Rule 1.58 that, if the rule were adopted, an originating FCM would not be precluded from depositing United States Treasury bills or some other acceptable form of interest-bearing instrument with the carrying FCM and would not, therefore, have to forego the interest currently being earned on segregated funds. One commentator stated that Treasury bills or other interest-bearing instruments would be acceptable to a clearing FCM for initial margin purposes. That commentator further stated, however, that since daily settlement obligations or variation margin payments owed by a clearing member to a clearing organization must be satisfied on a cash basis, a clearing member would not accept Treasury bills or other interest-bearing instruments from originating FCMs for any purpose. The Commission disagrees with that statement. The amount of variation margin required of a clearing FCM by a clearing organization should be the same whether the collection of margin with respect to positions held in omnibus accounts carried by the clearing FCM is made on a net or gross basis, and changing from one system to the other should have no bearing upon variation margin payments

required of a clearing FCM by a clearing organization and should not preclude investment of customer funds by originating FCMs. Certain other concerns raised by commentators, such as what types of instruments will be accepted by carrying FCMs and how much credit will be accorded to them, are best resolved between the carrying FCM and originating FCM. Although a greater amount of funds will be shifted from originating FCMs to carrying FCMs under Rule 1.58, as compared to the current system, this should not affect materially the opportunities for investment of customer funds available to originating FCMs.

Some commentators expressed the view that the gross collection of exchange-set margins for omnibus accounts would have anti-competitive effects because there would be increases in costs to firms which would lead to a fewer number of firms, due to mergers or due to some firms going out of business, and the surviving firms would be the larger firms. The Commission does not agree that the costs will increase to the extent cited by the commentators, since the Commission does not believe, as discussed in the preceding paragraph, that investment of customer funds will be affected materially. The Commission is also aware that the argument about increased costs has been raised whenever changes have been proposed which might require that more capital be maintained by firms. In those circumstances, and with respect to the gross collection of exchange-set margins for omnibus accounts, the Commission believes that any increased costs are necessary in the interest of customer protection.

Operational concerns were cited by several commentators, especially the fact that computer programming changes would be necessary. The Commission recognizes that a problem could exist for some firms in this area, and has therefore made the effective date of Rule 1.58 ninety days after publication of this notice, rather than the normal thirty days, so that any required computer programming changes can be made. Some commentators raised the issue of verification of the reports received by carrying FCMs from originating FCMs, especially if spread or hedge positions are reported in accordance with Rule 1.58(b). Carrying FCMs would not be expected to make independent verification of reports filed in accordance with Rules 17.04 and 1.58, unless there was reason to believe that such reports were inaccurate. Such reports can be verified readily during

audits conducted by the Commission's staff, the NFA or any self-regulatory organization.

One commentator stated that in order to comply with Rule 1.58, all omnibus accounts would effectively be required to be handled on an "instruct basis."<sup>2</sup> The Commission believes that this is not necessarily the case because Rule 1.58 only requires carrying FCMs to collect margin based on positions already being reported in accordance with Rule 17.04. Further, this commentator asserted that, based on a survey which it conducted, nearly 60% of omnibus accounts surveyed are currently handled on an instruct basis. Since many omnibus accounts are already handled on an instruct basis, it is the Commission's view that, if some FCMs find that it is necessary to handle omnibus accounts on an instruct basis in order to comply with Rule 1.58, there should not be a material effect on operations.

Two commentators stated that the Commission lacks statutory authority to promulgate Rule 1.58. The only limitations on the Commission's authority with respect to margin contained in the Commodity Exchange Act, as amended ("Act") are found in sections 5a(12) and 8a(7), respectively (7 U.S.C. 7a(12) and 12a(7) (1976 & Supp. IV 1980)).<sup>3</sup> These sections preclude the Commission from approving or disapproving contract market rules relating to setting of levels of margin or altering or supplementing contract market rules for the setting of levels of margin. The intention of these restrictions on the Commission's rule approval authority was to assure that the exchanges retained the power to protect themselves by making daily and an even hourly adjustments of margin. It is for the reason that the control of the amount of margin is left to the exchanges.<sup>4</sup> Rule 1.58 does not purport to affect or to interfere in any way with the setting of levels of margin by a contract market. Under this rule, the Commission wishes to point out that the authority to establish margin levels and to thereby respond quickly to changing market situations remains with the contract markets consistent with the recognition by Congress of their expertise. However, the Act does not

<sup>2</sup> Under such a system, all positions are held open by the carrying FCM until the originating FCM gives specific instructions as to which positions, if any, to offset.

<sup>3</sup> But see Sections 4c(b) and 8a(9) of the Act, 7 U.S.C. 6c(b) and 12a(9) (1976 & Supp. IV 1980), which grant the Commission plenary authority with respect to options and in times of emergency, respectively.

<sup>4</sup> 120 Cong. Rec. H10766 (daily ed. April 11, 1974) (remarks of Rep. Poage).

preclude the Commission from making rules which prescribe where margin funds must be maintained and how they must be collected and segregated.

Rule 1.58 prescribes where margin as set by an exchange with respect to a specific contract must be held. As such it is intended to increase the strength and credibility of the Commission's segregation and minimum financial rules which are relied on by customers to maintain the customer funds deposited in connection with their commodity transaction intact, as trust funds, even in the event of the insolvency of the firm with which they are doing business. Rule 1.58 would not affect the level of margin established by an exchange or the amount assessed to the beneficial holder of a position.

The Commission is also adopting, in the form proposed, amendments to § 17.04, so that option positions traded through omnibus accounts will be required to be reported on a gross basis. None of the comments addressed this aspect of the proposals. At the present time, § 17.04 applies only to futures positions traded through an omnibus account. The Commission intended to have option positions traded through an omnibus account reported on a gross basis, but believed that this objective could be achieved through rules promulgated by the exchanges establishing a large trader reporting system for options. The large trader reporting system for options will be administered by the exchanges, and the Commission will review the rules of the exchanges relating to large trader reporting in connection with its review of designation applications. Because the Commission proposes to include option positions within the coverage of Rule 1.58, however, and because Rule 1.58 will incorporate § 17.04 by reference, the Commission is amending § 17.04 so that it will apply to options.

### III. Certification Under the Regulatory Flexibility Act

When the Commission proposed Rule 1.58, the Chairman certified, on behalf of the Commission and pursuant to the Regulatory Flexibility Act, that if the rule were promulgated as proposed, it would not have a significant economic impact on a substantial number of small entities. However, the Commission particularly invited comment from any firms or other persons which believed that promulgation of the rule might have a significant economic impact upon their activities.<sup>5</sup>

<sup>5</sup> It should be noted that any impact of Rule 1.58 will fall on FCMs. The Commission has determined

As discussed above, certain commentators expressed the view that costs will increase for the relatively smaller firms under Rule 1.58. As also stated above, the Commission does not believe that substantial additional costs will result from the adoption of Rule 1.58, and the Commission further believes that any increased costs are necessary in the interest of customer protection. Having undertaken its own reconsideration of this issue and having reviewed the suggestions set forth by the commentators, the Commission believes that there is no satisfactory alternative to the rule which would as effectively accomplish the objectives and policies of the Act.

#### IV. List of Subjects in 17 CFR Part 1

Commodity futures, Customer protection, Segregated funds.

#### 17 CFR Part 17

Commodity futures, Futures commission merchants, Foreign brokers, Reporting requirements.

#### V. Paperwork Reduction Act

Information collection requirements contained in regulation Section 1.58 have been approved by the Office of Management and Budget under the provisions of 44 U.S.C. Chapter 35 and have been assigned OMB #3038-0026.

In consideration of the foregoing and pursuant to the authority contained in Sections 4c, 4d, 4f, 4g and 8a of the Act, 7 U.S.C. 6c, 6d, 6f, 6g and 12a (1976 & Supp. IV 1980), the Commission hereby amends 17 CFR Part 1 by adding a new § 1.58, and amends 17 CFR Part 17 by revising § 17.04, as set forth below. In adopting these rules, the Commission has taken into consideration the public interest to be protected by the antitrust laws and has endeavored to take the least anti-competitive means of achieving the regulatory objectives of the Act.

#### PART 1—GENERAL REGULATIONS UNDER THE COMMODITY EXCHANGE ACT

1. 17 CFR Part 1 is amended by adding § 1.58 to read as follows:

##### § 1.58 Gross collection of exchange-set margins.

(a) Each futures commission merchant which carries a commodity futures or commodity option position for another futures commission merchant on an omnibus basis must collect, and each

that a registered FCM not be considered a "small entity" within the meaning of the Regulatory Flexibility Act, Pub. L. 96-354, 94 Stat. 1165, 1166 (5 U.S.C. 601 (3) and (6)). See 47 FR 18618 (April 30, 1982).

futures commission merchant for which the omnibus account is being carried must deposit, initial and maintenance margin on each position reported in accordance with § 17.04 of this chapter at a level no less than that established for customer accounts by the rules of the applicable contract market.

(b) If the futures commission merchant which carries a commodity futures or commodity option position for another futures commission merchant on an omnibus basis allows a position to be margined as a spread position or as a hedged position in accordance with the rules of the applicable contract market, the carrying futures commission merchant must obtain and retain a written representation from the futures commission merchant for which the omnibus account is being carried that each such position is entitled to be so margined.

#### PART 17—REPORTS BY FUTURES COMMISSION MERCHANTS, MEMBERS OF CONTRACT MARKETS AND FOREIGN BROKERS

2. 17 CFR Part 17 is amended by revising § 17.04 to read as follows:

##### § 17.04 Reporting Omnibus Accounts to the Carrying Futures Commission Merchant or Foreign Broker.

(a) Any futures commission merchant, clearing member or foreign broker who establishes an omnibus account with another futures commission merchant or foreign broker shall report to that futures commission merchant or foreign broker the total open long positions and the total open short positions in each future of a commodity, and, for commodity option transactions, the total open put options purchased, the total open put options granted, the total open call options purchased, and the total open call options granted for each commodity option expiration date, in such account at the close of trading each day. The information required by this section shall be reported in sufficient time to enable the futures commission merchant or foreign broker with whom the omnibus account is established to comply with Part 17 of these regulations and reporting requirements established by the contract markets.

(b) In determining open long and open short futures positions, and open purchased and open granted option positions, in an omnibus account for purposes of complying with § 17.00(f), § 1.37(b) and § 1.58 of this chapter, a futures commission merchant, clearing member or foreign broker shall total the open long positions of all traders and the open short positions of all traders in each future of a commodity, and, for

commodity option transactions, shall total the open put options purchased, the open put options granted, the open call options purchased, and the open call options granted of all traders for each commodity option expiration date. The futures commission merchant, clearing member or foreign broker shall, if both open long and short positions in the same future are carried for the same trader, compute open long or open short futures positions as instructed below.

(1) Include both the total open long and the total open short positions of the trader if:

(i) The positions represent transactions on a contract market which requires long and short positions in the same future held in accounts for the same trader to be recorded and reported on a gross basis; or

(ii) The account is an omnibus account of another futures commission merchant or foreign broker; or

(2) Include only the net long or net short positions of the trader if the positions represent transactions on a contract market which does not require long and short positions in the same future held in accounts for the same trader to be recorded and reported on a gross basis.

Issued in Washington, D.C. on May 11, 1982, by the Commission.

Jane K. Stuckey,

Secretary of the Commission.

[FR Doc. 82-13361 Filed 5-14-82; 8:45 am]

BILLING CODE 6351-01-M

#### SECURITIES AND EXCHANGE COMMISSION

##### 17 CFR Part 211

[Release Nos. 33-6395; 34-18648; 35-22456; IC-12376; FR-1]

#### Codification of Financial Reporting Policies

AGENCY: Securities and Exchange Commission.

ACTION: Interpretation and notice of availability.

SUMMARY: The Commission announces the publication of a codification of certain existing Accounting Series Releases (ASRs).<sup>1</sup> The material included in the codification represents only those portions of these ASRs that are relevant today. This publication is part of the Commission's continuing efforts to

<sup>1</sup> Note.—This codification is a separate publication issued by SEC. It will not be published in the Federal Register/Code of Federal Regulations system.

review its rules, regulations and releases, and to delete requirements that are no longer necessary and to simplify the remainder. The Commission expects that the codification will make the material therein more useful to issuers, accountants and others. The Commission also announces a new series of releases—Financial Reporting Releases (FRRs)—which will replace ASRs as the title of releases announcing accounting and auditing matters of general interest. This release is the first of the new series.

**FOR FURTHER INFORMATION CONTACT:**

David F. Martin or Edmund Coulson (202-272-2130), Office of the Chief Accountant, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549.

**SUPPLEMENTARY INFORMATION:** The Commission has identified the relevant portions of certain existing Accounting Series Releases (ASRs) and is publishing a codification of that material. The purpose of the codification is to provide one document which is organized in a logical manner and which can be used as a reference for the Commission's current published positions on accounting and auditing matters relating to financial reporting. The codification will be updated by the issuance of Financial Reporting Releases (FRRs).

In a related action today, the Commission is publishing Accounting and Auditing Enforcement Release (AAER) No. 1 as the first of a series of releases which will be used to announce accounting and auditing matters that are related to Commission enforcement activities. The status of previous ASRs relating to the Commission's enforcement activities is unaffected by the issuance of AAER No. 1, and they are not republished or codified therein. However, the Commission has developed a topical index for the material included in the 100 ASRs which address various accounting and auditing matters in an enforcement context. This index, which is included in AAER No. 1, should facilitate reference to specific areas addressed by the Commission in those releases.

As a result of the Commission's actions today, no further ASRs will be issued since future announcements will be made in FRRs and AAERs.

**Background**

Since 1937, the Commission has issued 307 ASRs to inform interested parties about matters relating to accounting and auditing. Approximately 200 of the ASRs announced adoption or amendment of accounting related rules

or presented the Commission's views on accounting issues. Much of the information in these releases is no longer relevant. Additionally, certain topics are addressed in more than one ASR and some ASRs supersede portions of previously issued ASRs. Because of the volume of ASRs and the variety of topics covered, it has become extremely difficult to determine which ASRs, or portions thereof, are relevant at any given point in time. To simplify the use of the guidance provided in these releases, the Commission has codified the relevant portions of the non-enforcement related releases.

**Codification**

The codification is a compendium of the Commission's current published views and interpretations relating to financial reporting. It supplements the rules set forth in Regulations S-X (17 CFR Part 210) and S-K (17 CFR Part 229) by providing background and rationale for certain of the rules therein.

The codification process was conducted by performing a comprehensive review of the content of the ASRs. This review indicated that the content of 79 ASRs was no longer relevant, and therefore they have not been carried forward. Previous Commission actions had rescinded 57 other ASRs. The remaining 71 ASRs have been placed in the codification by extracting those portions of the ASRs which provide current, meaningful guidance to registrants, independent accountants and others in complying with the Commission's requirements. The extractions have been organized by topic and, where necessary, editorial comments to explain the sequence of events have been inserted [these are shown in brackets in the codification]. Minor editorial changes were also made in the extractions so that the extractions would fit into the context of the codification. Additionally, all references to rules and regulations of the Commission have been updated to the appropriate current reference. A topical index has been included in order to facilitate easy reference to the material.

The Commission expects that as sections of the codification become obsolete, or otherwise require modification, because of private-sector initiatives, Commission actions, or environmental changes, sections of the codification will be rescinded or appropriately modified. Additionally, in the future when the Commission finds it necessary to issue statements about accounting and auditing matters related to financial reporting, the codification will be appropriately updated.

**Financial Reporting Releases (FRR's)**

FRRs will be the means by which the codification of financial reporting policies will be updated. The title of these releases has been changed from ASRs to more closely reflect the nature of the material covered. It is not expected that the topics addressed by FRRs will be different from the types of topics addressed in the ASRs except that enforcement related matters will now be announced in a separate series of releases as discussed above.

**Status of ASR's**

The Commission intends that the codification stand on its own. Therefore, there should be no need to refer to individual ASRs when complying with Commission rules and regulations. To assist users in understanding the codification, a cross-reference index reflecting the status of each of the individual ASRs is included as an appendix to the codification. Further, the material in the codification is referenced to the ASR from which it was extracted.

Finally, the Commission is updating Part 211 of Title 17, Chapter II of the Code of Federal Regulations which lists certain interpretive ASRs. All remaining references to individual ASRs are being deleted because the relevant portions of those ASRs have been included in the codification.

Where appropriate, previously issued ASRs have been published in the Federal Register. Therefore, this codification will not be printed in the Federal Register. Copies of the codification will be available from the Commission's Public Reference Room of the Office of Consumer Affairs and Information Services, or by calling (202) 523-3761. Where appropriate, future FRRs will be printed in the Federal Register.

**List of Subjects in 17 CFR Part 211**

Accounting, Reporting requirements, Securities.

**PART 211—INTERPRETATIVE RELEASES RELATING TO ACCOUNTING MATTERS**

*Commission Action*

1. The Commission hereby rescinds and removes the following releases in the accounting series, in Subpart A, Part 211 of Title 17, Chapter II of the Code of Federal Regulations. Accounting Series Release Nos. 4, 8, 19, 21, 22, 25, 27, 36, 44, 47, 51, 81, 90, 98, 103, 112, 113, 115, 116, 118, 123, 124, 128, 130, 135, 142, 146, 146A, 150, 162, 219, 220, 234, 244, 251, 289, 293, 297, 300, 305, 307.

2. The Commission hereby revises the titles of Part 211 of Title 17, Chapter II of the Code of Federal Regulations and of Subpart A thereof to read as follows:

**PART 211—INTERPRETATIONS  
RELATING TO FINANCIAL  
REPORTING MATTERS**

**Subpart A—Financial Reporting  
Releases**

The Commission adds a reference to this release to Subpart A of Part 211.

By the Commission,  
George A. Fitzsimmons,  
Secretary.

April 15, 1982.

[FR Doc. 82-13211 Filed 5-14-82; 8:45 am]

BILLING CODE 8010-01-M

**17 CFR Part 211**

[Release Nos. 33-6396; 34-18649; 35-22457;  
IC-12377; AAER-1]

**Index of Accounting and Auditing  
Enforcement Releases**

**AGENCY:** Securities and Exchange  
Commission.

**ACTION:** Interpretation.

**SUMMARY:** The Commission announces the publication of a topical index to its Accounting Series Releases that have announced enforcement actions involving accountants. The topical index is intended to facilitate reference to the Commission's views on particular accounting and auditing matters that have given rise to Commission enforcement actions. The Commission also announces the institution of a new series of releases entitled Accounting and Auditing Enforcement Releases. In the future, Commission enforcement actions involving accountants will be announced in Accounting and Auditing Enforcement Releases to enable interested persons to easily distinguish enforcement releases involving accountants from other Commission releases.

**FOR FURTHER INFORMATION CONTACT:** George Diacont or Michael Kigin (202/272-2130), Office of the Chief Accountant, Securities and Exchange Commission, 500 North Capitol Street, Washington, D.C. 20549.

**SUPPLEMENTARY INFORMATION:** Since 1937, the Commission has issued 307 Accounting Series Releases (ASRs) to announce rulemaking and enforcement actions and its interpretations of accounting and auditing matters. The Commission's staff has reviewed the nonenforcement related releases to determine which are outdated or have

been superseded. In a related action today, the Commission is publishing Financial Reporting Release No. 1 which announces the codification of the material in those ASRs that continues to be relevant to financial reporting.

The Commission's staff has also reviewed the approximately 100 ASRs that announced enforcement related actions involving accountants. Those releases have not been included in the codification although some of them contain explanations of the Commission's views on accounting and auditing and may be useful to registrants and accountants in the preparation of certification of financial statements being filed with the Commission, or otherwise.

In lieu of including the enforcement related ASRs in the codification, the Commission is publishing a topical index (Appendix A) to those ASRs. The index consists of an alphabetical list of accounting, auditing and related topics that are discussed or referred to in the identified enforcement related ASRs. The index is intended to be used as a reference to the particular ASRs and not as a comprehensive representation of the Commission's views on these matters. Publication of the topical index should facilitate research of certain of the Commission's enforcement actions relating to accounting and auditing matters and to the Commission's views on particular accounting and auditing deficiencies. A list of the enforcement related ASRs is also attached as Appendix B.

The issuance of the topical index has no effect on the legal status of the enforcement related ASRs. Those releases remain in effect and persons

interested in the Commission's views on the topics listed in the index should consult the particular ASRs, which are not codified or republished herein.

The Commission is also announcing the institution of a new series of releases. This release is the first of that series. Future Commission releases announcing enforcement actions involving accountants will be issued as Accounting and Auditing Enforcement Releases ("AAER"). Henceforth, interested persons will be able to easily distinguish enforcement releases involving accountants from releases in which the Commission announces the adoption or revision of rules related to financial reporting or discusses its interpretive views on financial reporting matters.

AAER No. 1 will be listed in new Subpart C of Part 211 of the Code of Federal Regulations because it is a topical guide to the Commission's views on accounting and auditing matters expressed in connection with enforcement proceedings involving accountants. Future AAERs will not be listed in Subpart C, however, because they will be announcing Commission enforcement actions. Periodically, the topical index may be updated to include references to future AAERs to facilitate research of the Commission's views on particular accounting and auditing issues.

**List of Subjects in 17 CFR Part 211**

Accountants, Accounting, Financial Statements, Reporting Requirements, Securities.

*Commission Action*

The Commission hereby amends Part 211 of Title 17, by adding Subpart C to read as follows:

**Subpart C—Accounting and Auditing Enforcement Releases**

Subject	Release No.	Date	Fed. Reg. vol. and page
Index of Accounting and Auditing Enforcement Releases .....	1 .....	Apr. 15, 1982 .....	

By the Commission,  
George A. Fitzsimmons,  
Secretary.  
April 15, 1982.

**Appendix A.—Topical Index of  
Enforcement Actions Involving  
Accountants**

*Introduction*

This is a topical index of certain accounting and auditing matters which have been addressed in enforcement related Accounting Series Releases ("AS"). The index is intended to be used only as a reference to the particular

Accounting Series Release and not as a comprehensive representation of the Commission's views on these matters.

Some Accounting Series Releases discuss matters related to more than one company. Accordingly, to facilitate the research of topics in lengthy Accounting Series Releases the following key to major headings, as they are set forth in the releases, is provided:

- AS 173-1 National Student Marketing Corporation
- AS 173-2 Talley Industries, Inc.
- AS 173-3 Republic National Life Insurance Company
- AS 173-4 The Penn Central Company