Lists of Subjects in 17 CFR Part 30

Commodity futures, Commodity options, Foreign commodity options.

Accordingly, 17 CFR part 30 is amended as set forth below:

PART 30—FOREIGN FUTURES AND FOREIGN OPTION TRANSACTIONS

1. The authority citation for part 30 continues to read as follows:

Authority: Secs. 2(a)(1)(A), 4, 4c, and 8a of the Commodity Exchange Act, 7 U.S.C. 2,6, 6c and 12a.

2. Appendix B to part 30 is amended by adding the following entry after the existing entry for "Marche a Terme International de France" to read as follows:

Appendix B to Part 30—Option Contracts Permitted To Be Offered or Sold in the U.S. Pursuant to § 30.3(a)

Exchange	Type of contract	FR date and citation
• •	• •	•
Marche a Terme International de France.	Option Contract on the Long Term ECU Bond Futures.	April 1, 1992; 57 FR ——.
• •	• •	•

Issued in Washington, DC on March 26, 1992.

Jean A. Webb,

Secretary to the Commission.

Contract Specifications

Option Contract on the Long Term ECU Bond Futures Contract

Option Type

—American options.
—Buy options (calls) and sell options (puts).

Type of Operators

In addition to the usual operators, there are "market makers" who undertake to:

—quote the buy and sell premiums for each strike price open,
—issue upon request up to 100 option contracts for each quoted price.

Underlying Contract

—A "LONG TERM ECU bond" futures.

Premium

—The option price or premium is expressed as a percentage of the contract's nominal value to two decimal places.
—The premium is paid by the option buyer and is collected by the option seller. Margins are payable in ECU.

Trading Unit

—An option bears on one futures contract.

Quotation

—Premium quotation. Example: a premium of 1.75 is equivalent to 1.75% x 100,000 = 1,750 ECU.

Minimum Price Movement (tick)

—0.01% x 100,000 = 10 ECU.

Strike Price

—When a delivery month begins trading, 9 strike prices are initially listed: the round strike price that is closest to the price of the underlying contract as well as the four immediately higher prices and the four immediately lower prices.
—The difference between two strike prices is set at 50 basis points.
—Example: 97.00/97.50/98.00 . . . .

Expiration Dates

—The expiration dates correspond to the 2 quarterly delivery months of the LONG TERM ECU bond futures contract. The quarterly delivery months are: March, June, September and December.
—The close (or last quotation day) occurs on the last Thursday of the month preceding the corresponding delivery month of the LONG TERM ECU bond.
—A delivery month on the option contract is opened on the first trading day following the fifteenth day of the expiration month.

Exercise Procedure

—In case of exercise, the option seller must buy from (in the case of a put) or sell to (in the case of a call) the buyer a firm futures contract, at the option strike price.
—On the option expiration date, options that are in the money are automatically exercised, unless otherwise notified by 4:30 p.m.
—Options that are at-the-money and out-of-the-money on their expiration dates are automatically abandoned.

Trading Procedure

—Open outcry: from 9:05 a.m. to 4:30 p.m.

There Is No Price Fluctuation Limit

Initial Margin

MATIF S.A. has the option seller set aside an amount as initial margin corresponding to the loss that would result from the most unfavorable change in the liquidation of its overall net position in one trading day. This initial margin is revised on a daily basis.

N.B.

The characteristics described in this document were applicable on January 16, 1992 but are subject to modification.

[FR Doc. 92-7452 Filed 3-31-92; 8:45 am]

BILLING CODE 6351-01-M

DEPARTMENT OF THE TREASURY

Customs Service

19 CFR Parts 141 and 151

[T.D. 92-31]

Technical Corrections to the Customs Regulations

AGENCY: U.S. Customs Service, Department of the Treasury.

ACTION: Final rule.

SUMMARY: In accordance with Customs policy of periodically reviewing its regulations to ensure that they are current and accurate, this document makes two technical corrections to the Customs Regulations. The changes are nonsubstantive.

EFFECTIVE DATE: April 1, 1992.

FOR FURTHER INFORMATION CONTACT: Harold M. Singer, Regulations and Disclosure Law Branch (202) 566-8237.

SUPPLEMENTARY INFORMATION:

Background

As part of a continuing program to keep its regulations current and accurate, Customs has determined that certain changes should be made to the regulations. In this document, Customs is making two technical corrections to the regulations that are nonsubstantive.

The first correction involves § 151.12, Customs Regulations (19 CFR 151.12). Section 151.12 provides that procedures for sampling and testing of benzenoid chemicals and products are set forth in subpart D of part 152 of the Customs Regulations. Subpart D concerned American selling price, which was eliminated by the Trade Agreements Act of 1979. When subpart D of part 152 was removed from the Customs Regulations by Treasury Decision 87-89, which was published in the **Federal Register** (52 FR 24444) on July 1, 1987, the cross-reference to subpart D also should have been removed. This document now removes § 151.12.

The second correction involves the heading of § 141.102. When a document amending § 141.102 was published in the **Federal Register** (54 FR 28412) as Treasury Decision 89-65 on July 6, 1989, a new heading for § 141.102 was also published. However, the document,

inadvertently, did not use amendatory language so that the heading of the section would be amended in the Code of Federal Regulations (CFR). Accordingly, the correct title of § 141.102—When deposit of estimated duties, estimated taxes, or both, not required—does not appear in 19 CFR. This document corrects that error.

Inapplicability of Notice and Delayed Effective Date Requirements

Inasmuch as these amendments merely correct two previously published documents, the effects of the amendments are nonsubstantive in nature, and the amendments merely conform the Customs Regulations to agency practice, pursuant to 5 U.S.C. 553 (a)(2) and (b)(B), notice and public procedures are not required and would be contrary to the public interest. For the same reasons, pursuant to 5 U.S.C. 553(a)(2) and (d)(3), a delayed effective date is not required.

Executive Order 12291 and Regulatory Flexibility Act

Because this document relates to agency management, it is not subject to Executive Order 12291. Because no notice of proposed rulemaking is required, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601 *et seq.*) do not apply.

List of Subjects

19 CFR Part 141

Customs duties and inspection, Explosives, Imports, Lawyers.

19 CFR Part 151

Chemicals, Customs duties and inspection, Imports.

Amendments to the Regulations

Parts 141 and 151, Customs Regulations (19 CFR parts 141 and 151) are amended as set forth below:

PART 141—ENTRY OF MERCHANDISE

1. The general and relevant specific authority citation for part 141 continues to read as follows:

Authority: 19 U.S.C. 66, 1448, 1484, 1624.

* * * * *

Subpart G also issued under 19 U.S.C. 1505.

* * * * *

2. The heading of § 141.102 is revised to read as follows:

§ 141.102 When deposit of estimated duties, estimated taxes, or both not required.

* * * * *

PART 151—EXAMINATION, SAMPLING, AND TESTING OF MERCHANDISE

1. The general authority citation for part 151 continues to read as follows:

Authority: 19 U.S.C. 66, 1202 (General Notes 8 and 9, Harmonized Tariff Schedule of the United States), 1624.

* * * * *

§ 151.12 [Removed]

2. Section 151.12 is removed and reserved.

Dated: March 26, 1992.

Kathryn C. Peterson,

Chief, Regulations and Disclosure Law Branch.

[FR Doc. 92-7430 Filed 3-31-92; 8:45 am]

BILLING CODE 4820-02-M

DEPARTMENT OF LABOR

Employment and Training Administration

20 CFR Part 655

RIN 1205-AA90

Wage and Hour Division

29 CFR Part 507

RIN 1215-AA70

Attestations by Employers Using Alien Crewmembers for Longshore Activities in U.S. Ports

AGENCIES: Employment and Training Administration, Labor; and Wage and Hour Division, Employment Standards Administration, Labor.

ACTION: Interim final rule; extension of effective date.

SUMMARY: The Department of Labor has promulgated regulations for filing and enforcement of attestations by employers seeking to use certain alien crewmembers to perform longshore work at U.S. ports. This document extends the expiration date of the interim final rule.

DATES: Effective March 30, 1992, the expiration of the interim final rule published on May 30, 1991 (56 FR 24648) and extended by a document published January 3, 1992 (57 FR 182) is extended through June 30, 1992.

FOR FURTHER INFORMATION CONTACT: On 20 CFR part 655, subpart F, and 29 CFR part 506, subpart F, contact David O. Williams, Chair, Immigration Task Force, Employment and Training Administration, Department of Labor, room N-4470, 200 Constitution Avenue, NW., Washington, DC 20210. Telephone: (202) 535-0174 (this is not a toll-free number).

On 20 CFR part 655, subpart G, and 29 CFR part 506, subpart G, contact Solomon Sugarman, Wage and House Division, Employment Standards Administration, Department of Labor, Room S-3502, 200 Constitution Avenue, NW., Washington, DC 20210. Telephone: (202) 523-7605 (this is not a toll-free number).

SUPPLEMENTARY INFORMATION: On May 30, 1991, the Department of Labor (DOL) published an interim final rule adding, at 20 CFR part 655, subparts F and G, and at 29 CFR part 507, subparts F and G, regulations for filing and enforcement of attestations by employers seeking to use certain alien crewmembers to perform longshore work at U.S. ports, pursuant to section 258 of the Immigration and Nationality Act. 56 FR 24648 (May 30, 1991); see 8 U.S.C. 1288. Public comments were invited through July 29, 1991, and the interim final rule was effective from May 28, 1991, through December 31, 1991. The expiration date later was extended through March 31, 1992. 57 FR 182 (January 3, 1992).

DOL has determined that it requires additional time to review and consider the information presented in the public and agency comments. This review will extend past March 31, 1992. So as not to have an interruption in the regulations governing the program, DOL is extending the expiration date for the interim final rule, before which time a final rule is expected to be published.

Accordingly, FR Doc. 91-12718, 56 FR 24648 (May 30, 1991), is amended, by revising the first sentence in the "DATES" section to read *"Effective dates:* May 28, 1991, through June 30, 1992."

Signed at Washington, DC, this 30th day of March, 1992.

Lynn Martin,

Secretary of Labor.

[FR Doc. 92-7616 Filed 3-30-92; 3:28 pm]

BILLING CODE 4510-30; 4510-27-M

DEPARTMENT OF HEALTH AND HUMAN SERVICES

Food and Drug Administration

21 CFR Part 178

[Docket No. 90F-0411]

Indirect Food Additives: Adjuvants, Production Aids, and Sanitizers

AGENCY: Food and Drug Administration, HHS.

ACTION: Final rule.

SUMMARY: The Food and Drug Administration (FDA) is amending the food additive regulations to provide for the safe use of 1,2-bis(3,5-di-*tert*-butyl-4-hydroxyhydrocinnamoyl)hydrazine as a stabilizer in acrylonitrile-butadiene-styrene copolymers and polyoxymethylene copolymers and homopolymers used in contact with food. This action is in response to a petition filed by Ciba-Geigy Corp.

DATES: Effective April 1, 1992; written objections and requests for a hearing by May 1, 1992.

ADDRESSES: Written objections to the Dockets Management Branch (HFA–305), Food and Drug Administration, rm. 1–23, 12420 Parklawn Dr., Rockville, MD 20857.

FOR FURTHER INFORMATION CONTACT: Julius Smith, Center for Food Safety and Applied Nutrition (HFF–335), Food and Drug Administration, 200 C St. SW., Washington, DC 20204, 202–254–9500.

SUPPLEMENTARY INFORMATION: In a notice published in the **Federal Register** of December 19, 1990 (55 FR 52100), FDA announced that a food additive petition (FAP 1B4237) had been filed by Ciba-Geigy Corp., Seven Skyline Dr., Hawthorne, NY 10532–2188, proposing that § 178.2010 Antioxidants and/or stabilizers for polymers (21 CFR 178.2010) be amended to provide for the safe use of 1,2-bis(3,5-di-*tert*-butyl-4-hydroxyhydrocinnamoyl)hydrazine as a stabilizer in acrylonitrile-butadiene-styrene copolymers and in polymers complying with § 177.2470 Polyoxymethylene copolymer (21 CFR 177.2470) and § 177.2480 Polyoxymethylene homopolymer (21 CFR 177.2480).

FDA has reviewed the safety of both the additive and the starting materials used to manufacture the additive. Although 1,2-bis(3,5-di-*tert*-butyl-4-hydroxyhydrocinnamoyl)hydrazine has not been found to cause cancer, it may contain minute amounts of hydrazine as a byproduct of its production. Hydrazine has been shown to cause cancer in test animals. Residual amounts of reactants and manufacturing aids, such as hydrazine, are commonly found as contaminants in chemical products, including food additives.

I. Determination of Safety

Under section 409(c)(3)(A) of the Federal Food, Drug, and Cosmetic Act (the act) (21 U.S.C. 348(c)(3)(A)), the so-called "general safety clause," a food additive cannot be approved for a particular use unless a fair evaluation of the data available to FDA establishes that the additive is safe for that use. The concept of safety embodied in the 1958 amendment is explained in the legislative history of the provision: "Safety requires proof of a reasonable certainty that no harm will result from the proposed use of an additive. It does not—and cannot—require proof beyond any possible doubt that no harm will result under any conceivable circumstances." (H. Rept. 2284, 85th Cong., 2d sess. 4 (1958).) This definition of safety has been incorporated into FDA's food additive regulations (21 CFR 170.3(i)). The anticancer or Delaney clause of the act (section 409(c)(3)(A)) provides further that no food additive shall be deemed to be safe if it is found to induce cancer when ingested by man or animal.

In the past, FDA has often refused to approve the use of an additive that contained or was suspected of containing even minor amounts of a carcinogenic chemical, even though the additive itself had not been shown to cause cancer. The agency now believes, however, that developments in scientific technology and experience with risk assessment procedures make it possible to establish the safety of additives that contain carcinogenic chemicals as impurities but that have not themselves been shown to cause cancer.

In the preamble to the final rule permanently listing D&C Green No. 6, published in the **Federal Register** of April 2, 1982 (47 FR 14138), FDA explained the basis for approving the use of a color additive that had not been shown to cause cancer, even though the additive contains a carcinogenic impurity. Since that decision, FDA has approved the use of other color additives and food additives on the same basis. An additive that has not itself been shown to cause cancer, but that contains a carcinogenic impurity, may properly be evaluated under the general safety clause of the statute using risk assessment procedures to determine whether there is a reasonable certainty that no harm will result from the proposed use of the additive.

The agency's position is supported by *Scott* v. *FDA*, 728 F.2d 322 (6th Cir. 1984). That case involved a challenge to FDA's decision to approve the use of D&C Green No. 5, which contains a carcinogenic chemical but has itself not been shown to cause cancer. Relying heavily on the reasoning in the agency's decision to list this color additive, the United States Court of Appeals for the Sixth Circuit rejected the challenge to FDA's action and affirmed the listing regulation.

II. Safety of Petitioned Use

FDA estimates that the petitioned use of 1,2-bis(3,5-di-*tert*-butyl-4-hydroxyhydrocinnamoyl)hydrazine will result in extremely low levels of exposure to this additive. The agency has estimated a probable daily intake of the additive based on considerations such as the migration of the additive under the most severe intended use conditions and the probable concentration of the additive in food from food-contact articles that contain this substance. The estimated daily intake for the additive is expected to be no greater than 66 micrograms per day or 22 parts per billion in the diet.

FDA does not ordinarily consider chronic testing to be necessary to determine the safety of an additive whose use will result in such low exposure levels (Refs. 1 and 2), and the agency has not required such testing here. However, the agency has reviewed available data from a genotoxicity study in hamsters and a subchronic feeding study on the additive in rats. Based on the results of these studies and the low level of exposure to the additive, the agency concludes that there is an adequate margin of safety for the proposed use of the additive.

A. Hydrazine

Because 1,2-bis(3,5-di-*tert*-butyl-4-hydroxyhydrocinnamoyl)hydrazine has not been found to cause cancer, the anticancer clause does not apply to it. However, FDA has further evaluated the safety of this additive under the general safety clause, using risk assessment procedures to estimate the upper-bound limit of risk presented by the carcinogenic chemical hydrazine that may be present as an impurity in the additive.

The risk assessment procedures that FDA used in this evaluation are similar to the methods that it has used to examine the risk associated with the presence of minor carcinogenic impurities in various other food and color additives that contain carcinogenic impurities (see, e.g., 49 FR 13018 at 13019, April 2, 1984). This risk evaluation of the carcinogenic impurity hydrazine has two aspects: (1) Assessment of the worst-case exposure to the impurity from the proposed use of the additive, and (2) extrapolation of the risk observed in the animal bioassays to the conditions of probable exposure to humans.

Based on the fraction of the daily diet that may be in contact with surfaces containing 1,2-bis(3,5-di-*tert*-butyl-4-hydroxyhydrocinnamoyl)hydrazine and the level of hydrazine that may be present in the additive (Ref. 3), FDA estimated a worst-case exposure to hydrazine from the use of this additive

to be 6 nanograms (ng) per person per day. The agency used data from a drinking water study on hydrazine (Ref. 4) to estimate the upper-bound level of lifetime human risk from exposure to this chemical stemming from the proposed use of 1,2-bis(3,5-di-*tert*-butyl-4-hydroxyhydrocinnamoyl)hydrazine. The results of the bioassay on hydrazine demonstrated that the material was carcinogenic for male and female mice under the conditions of the study, causing significantly increased incidences of lung tumors in the animals.

The Center for Food Safety and Applied Nutrition's Cancer Assessment Committee (the Committee) reviewed this bioassay and other relevant data available in the literature and concluded that the findings of carcinogenicity were supported by this information on hydrazine. The Committee further concluded that the upper-bound level of lifetime human risk from potential exposure to hydrazine stemming from the proposed use of 1,2-bis(3,5-di-*tert*-butyl-4-hydroxyhydrocinnamoyl) hydrazine could be calculated from the bioassay.

The Committee used a quantitative risk assessment procedure (linear proportional model) to extrapolate from the doses used in the animal experiment to the very low doses that might be encountered under the proposed conditions of use of the additive. This procedure is not likely to underestimate the actual risk from very low doses and may, in fact, exaggerate it because the extrapolation models used are designed to estimate the maximum risk consistent with the data. For this reason, the estimate can be used with confidence to determine to a reasonable certainty whether any harm will result from the proposed conditions and levels of use of the food additive. Based on a worst-case exposure of 6 ng per person per day, FDA estimates that the upper-bound limit of individual lifetime risk from potential exposure to hydrazine from the use of 1,2-bis(3,5-di-*tert*-butyl-4-hydroxyhydrocinnamoyl)hydrazine is 2×10^{-8}, or less than 2 in 100 million (Ref. 5). Because of numerous conservatisms in the exposure estimate, actual exposure to hydrazine is expected to be substantially less than the estimated daily intake, and therefore the actual lifetime risk would be less than 2×10^{-8}. Thus, the agency concludes that there is a reasonable certainty of no harm from exposure to hydrazine that might result from the proposed use of 1,2-bis(3,5-di-*tert*-butyl-4-hydroxyhydrocinnamoyl) hydrazine.

B. Need for Specifications

The agency has also considered whether a specification is necessary to control the amount of the hydrazine impurity in the food additive. The agency finds that a specification is not necessary for the following reasons: (1) Because of the low level at which hydrazine may be expected to remain as an impurity following production of the additive, the agency would not expect this impurity to become a component of food at other than extremely small levels; and (2) the upper-bound limit of lifetime risk from exposure to this impurity, even under worst-case assumptions, is very low, less than 2 in 100 million.

C. Conclusion on Safety

FDA has evaluated the data in the petition and other relevant material, including the information pertaining to the safety of the potential impurity, hydrazine. The agency concludes that the additive is safe for its proposed use and that 21 CFR 178.2010(b) should be amended as set forth below.

In accordance with § 171.1(h) (21 CFR 171.1(h)), the petition and the documents that FDA considered and relied upon in reaching its decision to approve the petition are available for inspection at the Center for Food Safety and Applied Nutrition by appointment with the information contact person listed above. As provided in 21 CFR 171.1(h), the agency will delete from the documents any materials that are not available for public disclosure before making the documents available for inspection.

III. Environmental Impact

The agency has carefully considered the potential environmental effects of this action. FDA has concluded that the action will not have a significant impact on the human environment, and that an environmental impact statement is not required. The agency's finding of no significant impact and the evidence supporting that finding, contained in an environmental assessment, may be seen in the Dockets Management Branch (address above) between 9 a.m. and 4 p.m., Monday through Friday.

IV Objections

Any person who will be adversely affected by this regulation may at any time on or before May 1, 1992 file with the Dockets Management Branch (address above) written objections thereto. Each objection shall be separately numbered, and each numbered objection shall specify with particularity the provisions of the regulation to which objection is made and the grounds for the objection. Each numbered objection on which a hearing is requested shall specifically so state. Failure to request a hearing for any particular objection shall constitute a waiver of the right to a hearing on that objection. Each numbered objection for which a hearing is requested shall include a detailed description and analysis of the specific factual information intended to be presented in support of the objection in the event that a hearing is held. Failure to include such a description and analysis for any particular objection shall constitute a waiver of the right to a hearing on the objection. Three copies of all documents shall be submitted and shall be identified with the docket number found in brackets in the heading of this document. Any objections received in response to the regulation may be seen in the Dockets Management Branch between 9 a.m. and 4 p.m. Monday through Friday.

V. References

The following references have been placed on display in the Dockets Management Branch (address above) and may be seen by interested persons between 9 a.m. and 4 p.m., Monday through Friday.

1. Carr, G.M., "Carcinogen Testing Programs" in Food Safety: Where Are We?, Committee on Agriculture, Nutrition, and Forestry, United States Senate, p. 59, July 1979.

2. Kokoski, C.J., "Regulatory Food Additive Toxicology," presented at the Second International Conference on Safety Evaluation and Regulations of Chemicals, Cambridge, MA, October 24, 1983.

3. Memorandum dated January 23, 1991, from Food and Color Additives Review Section to Indirect Additives Branch, "FAP 1B4237, Ciba-Geigy Corp., Submission of 10-15-90, Irganox, MD 1024."

4. Toth et. al., International Journal of Cancer, vol. 9, p. 109, 1972.

5. Report of the Quantitative Risk Assessment Committee, "Upperbound Lifetime Risk for Hydrazine in Irganox MD 1024—FAP 1B4237 (Ciba-Geigy Corp.)," April 23, 1991.

List of Subjects in 21 CFR Part 178

Food additives, Food packaging.

Therefore, under the Federal Food, Drug, and Cosmetic Act and under authority delegated to the Commissioner of Food and Drugs, 21 CFR part 178 is amended as follows:

PART 178—INDIRECT FOOD ADDITIVES: ADJUVANTS, PRODUCTION AIDS, AND SANITIZERS

1. The authority citation for 21 CFR part 178 continues to read as follows:

Authority: Secs. 201, 402, 409, 706 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 321, 342, 348, 376).

2. Section 178.2010 is amended in the table of paragraph (b) by alphabetically adding a new entry under the headings of "Substances" and "Limitations" to read as follows:

§ 178.2010 Antioxidants and/or stabilizers for polymers.

* * * * *

(b) * * *

Substances	Limitations
* * * * *	
1,2-Bis(3,5-di-*tert*-butyl-4-hydroxyhydrocinnamoyl)-hydrazine (CAS Reg. No. 32687-78-8).	For use only: 1. As provided in § 175.105 of this chapter. 2. At levels not exceeding 0.1 percent by weight of acrylonitrile-butadiene-styrene copolymers used in accordance with parts 175, 176, 177, and 181 of this chapter. 3. At levels not exceeding 0.1 percent by weight of polyoxymethylene copolymers complying with § 177.2470 of this chapter and of polyoxymethylene homopolymers complying with § 177.2480 of this chapter.
* * * * *	

Dated: March 25, 1992.

Michael R. Taylor,

Deputy Commissioner for Policy.

[FR Doc. 92-7398 Filed 3-31-92; 8:45 am]

BILLING CODE 4160-01-M

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Parts 1 and 602

[T.D. 8404]

RIN 1545-AQ35

Election by Shareholders of Certain Passive Foreign Investment Companies

AGENCY: Internal Revenue Service, Treasury.

ACTION: Temporary regulations.

SUMMARY: This document contains temporary Income Tax Regulations that provide guidance to shareholders of certain passive foreign investment companies that are qualified electing funds about the time, manner, and other requirements for making the deemed dividend election. This election was enacted by the Technical Corrections Act of 1988. This document also modifies the time and manner of making the deemed sale election, which was enacted by the Tax Reform Act of 1986, and was the subject of temporary regulations published March 2, 1988 (53 FR 6770). The text of a proposed rule based on the text of these temporary rules appears in the Proposed Rules section of this issue of the Federal Register.

EFFECTIVE DATE: These temporary regulations are effective April 1, 1992.

FOR FURTHER INFORMATION CONTACT: Gayle E. Novig of the Office of Associate Chief Counsel (International), within the Office of Chief Counsel, Internal Revenue Service, 1111 Constitution Avenue, NW., Washington, DC 20224 Attention: CC:CORP:T:R (202-377-9059, not a toll-free call).

SUPPLEMENTARY INFORMATION:

Paperwork Reduction Act

These regulations are being issued without prior notice and public procedure pursuant to the Administrative Procedure Act (5 U.S.C. 553). For this reason, the collection of information contained in these regulations has been reviewed and, pending receipt and evaluation of public comments, approved by the Office of Management and Budget (OMB) under control number 1545-1304.

The collections of information in these regulations are in 26 CFR 1.1291-9T (d) and 1.1291-10(d)(2)(vii). The collections of information are also being published in the notice of proposed rulemaking in the Proposed Rules section of this issue of the **Federal Register.** This information is required by the Internal Revenue Service to administer elections pursuant to section 1291(d)(2) and §§ 1.1291-9T and 1.1291-10T, and verify amounts reported as deemed dividends or gain from deemed sales. The likely respondents and/or recordkeepers are individuals or households, business or other for-profit institutions, non-profit institutions, and small businesses or organizations.

These estimates are an approximation of the average time expected to be necessary for a collection of information. They are based on such information as is available to the Internal Revenue Service. Individual respondents/recordkeepers may require greater or less time, depending on their particular circumstances.

Estimated total annual reporting and/or recordkeeping burden is 6,250 hours.

The estimated annual burden per respondent/recordkeeper is one hour.

Estimated number of respondents and/or recordkeepers: 6,250.

Estimated frequency of responses: Annually.

For further information concerning these collections of information, and where to submit comments on these collections of information, the accuracy of the estimated burden, and suggestions for reducing the burden, please refer to the preamble of the notice of proposed rulemaking published in the Proposed Rules section of this issue of the **Federal Register.**

Background

This document contains temporary Income Tax Regulations (26 CFR part 1) under section 1291(d)(2)(B) of the Internal Revenue Code of 1986, and amendments to § 1.1291-10T.

Need for Temporary Regulations

The proper application of section 1291(d)(2)(B) is dependent upon the Internal Revenue Service's detailed specifications of the manner in which the requirements of the statute will be administered. These regulations are necessary to provide taxpayers who are shareholders of certain qualified electing funds with guidance for making the election, which guidance will remain in effect until superseded by final regulations. Section 1291(d)(2)(B) was added to section 1291 by section 1012 of the Technical and Miscellaneous Revenue Act of 1988 (Pub. L. 100-647, 102 Stat. 3342). Similarly, amendments to § 1.1291-10T are necessary to minimize the burden falling on certain shareholders wishing to make the election under section 1291(d)(2)(A). Therefore, good cause is found to dispense with the notice and public procedure requirements of 5 U.S.C. 553(b) and the delayed effective date requirement of 5 U.S.C. 553(d).

Explanation of Provisions

General

The Tax Reform Act of 1986, as amended by the Technical and Miscellaneous Revenue Act of 1988, established special rules for the taxation of U.S. persons that are shareholders of passive foreign investment companies (PFICs). For taxable years beginning after December 31, 1986, a foreign corporation will be classified as a PFIC if either 75 percent or more of its gross income for the taxable year is passive, or the average percentage of its assets (by value) for the taxable year that produce passive income or are held for the production of passive income is at