

reconciliation, digital certificate acquisition, product initialization, cryptographic key changes, rate table changes, print quality assurance, device authorization, device audit, product audit, and remote inspections must be achieved by vendors prior to any product/device approval for distribution.

2. Testing of these activities and functions includes computer based testing of all interfaces with the Postal Service including but not limited to the following:

- a. Product Manufacture and Life Cycle (including leased, unleased, new meter stock, installation, withdrawal, replacement, key management, lost, stolen, and irregularity reporting)
- b. Product Distribution and Initialization (including device authorization, product initialization, customer authorization, and product maintenance)
- c. Licensing (including license application, license update and license revocation)
- d. Finance (including lock box account management, individual product financial accounting, refunds, daily summary reports, daily transaction reporting, and monthly summary reports)
- e. Audits and Inspections

3. The vendor must complete an IBIP Product/Device—Vendor Infrastructure—Financial Institution—USPS Infrastructure (ALPHA) Test involving all entities in the proposed architecture; at a minimum this includes the proposed IBIP product/device, Vendor Infrastructure, financial institution and USPS Infrastructure systems and interfaces. ALPHA testing is intended to demonstrate the proposed IBIP product/devices' utility, functionality and compatibility with other systems, and may be conducted in a laboratory environment.

Vendor Infrastructure Testing—(ALPHA) Test Note: The Postal Service reserves the right to require or conduct additional examination and testing at any time, without cause, of any Vendor Infrastructure system supporting an IBIP product/device approved by the Postal Service for manufacture and distribution. Initial Vendor Infrastructure testing and (ALPHA) testing schedules will be supported at the convenience of the Postal Service. In addition, as all IBIP products/devices will have to conform to the Product/Infrastructure specs, vendors are also strongly encouraged to initiate dialogue regarding systems specifications with the Postal Service at the earliest possible date.

H. Field Test (BETA) Approval (Limited Distribution)

1. The vendor will submit a proposed Field Test (BETA) Test Plan identifying test parameters, product/device quantities, geographic location, test participants, test duration, test milestones, and product recall plan (if needed). The purpose of the BETA test is to demonstrate the proposed IBIP product/devices' utility, functionality and compatibility with other systems in a real-world environment. The BETA test will employ available communications and interface with current operational systems to conduct all IBIP functions. The Manager, Retail Systems & Equipment will determine acceptance of vendor proposed BETA Test Plans based on, but not limited to, assessed risk of product/device, product/device impact on Postal Service operations, and requirements for Postal Service resources.

2. The vendor has a duty to report security weaknesses to the Postal Service to ensure that each product/device model and every product/device in service protects the Postal Service against loss of revenue at all times. A grant of Field Test Approval (FTA) does not constitute an irrevocable determination that the Postal Service is satisfied with the revenue-protection capabilities of the product/device. After approval is granted to manufacture and distribute a product/device, no change affecting the basic features or safeguards of a product/device may be made except as authorized or ordered by the Postal Service in writing from the Manager, Retail Systems & Equipment.

1. Vendor/Product Approval (Full Distribution)

1. Upon receipt of the final certificate of evaluation from the national laboratory, and after obtaining positive results of internal testing of the product/device, successful completion of vendor infrastructure testing, ALPHA testing, and demonstration of limited distribution activities (BETA testing), the submitted product/device, vendor infrastructure and vendor/manufacture qualification requirements will be administratively reviewed for final approval. Note: Copies of Draft 39 Code of Federal Regulation Part 502 containing IBIP Vendor/Manufacturer qualification requirements are available by contacting Terry Goss at (202) 268-3757.

2. The Postal Service may require at any time, that models/versions of approved products/devices, and the design and use manuals and specifications applicable to such

product/devices and any revisions thereof be deposited with the Postal Service.

It is emphasized that this proposed procedure is being published for comments and is subject to final definition. Although exempt from the notice and comment requirements of the Administrative Procedure Act (5 U.S.C. 553b(c)) regarding proposed rulemaking by 39 U.S.C. 410(a), the Postal Service invites public comments on the proposed procedures.

Stanley F. Mires,

Chief Counsel, Legislative.

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SECURITIES AND EXCHANGE COMMISSION

Issuer Delisting; Notice of Application to Withdraw From Listing and Registration; (Biovail Corporation International, Common Stock, \$0.01 Par Value) File No. 1-11145

December 31, 1996.

Biovail Corporation International ("Company") has filed an application with the Securities and Exchange Commission ("Commission"), pursuant to Section 12(d) of the Securities Exchange Act of 1934 ("Act") and Rule 12d2-2(d) promulgated thereunder, to withdraw the above specified security ("Security") from listing and registration on the American Stock Exchange, Inc. ("AMEX").

The reasons alleged in the application for withdrawing the Security from listing and registration include the following:

According to the Company, it has complied with Rule 18 of the AMEX by filing with the AMEX a certified copy of preambles and resolutions adopted by the Company's Board of Directors authorizing the withdrawal of its security from listing on the Amex and by setting forth in detail the reasons for such proposed withdrawal, and the facts in support thereof. The Security of the Company has been listed for trading on the New York Stock Exchange, Inc. ("NYSE") effective December 11, 1996. In making the decision to withdraw the Security from listing on the AMEX, the Company considered the increase visibility of the Company's shares from being listed on the NYSE and the wishes of institutional shareholders.

Any interested person may, on or before January 22, 1997, submit by letter to the Secretary of the Securities and Exchange Commission, 450 Fifth Street, N.W., Washington, D.C. 20549, facts bearing upon whether the application

has been made in accordance with the rules of the exchanges and what terms, if any, should be imposed by the Commission for the protection of investors. The Commission, based on the information submitted to it, will issue an order granting the application after the date mentioned above, unless the Commission determines to order a hearing on the matter.

For the Commission, by the Division of Market Regulation, pursuant to delegated authority.

Jonathan G. Katz,
Secretary.

[FR Doc. 97-240 Filed 1-6-97; 8:45 am]

BILLING CODE 8010-01-M

[Rel. No. IC-22425; International Series Release No. 1041; 812-10184]

Canadian Imperial Holdings Inc.; Notice of Application

December 31, 1996.

AGENCY: Securities and Exchange Commission ("SEC").

ACTION: Notice of Application for Exemption under the Investment Company Act of 1940 (the "Act").

APPLICANT: Canadian Imperial Holdings Inc.

RELEVANT ACT SECTIONS: Order requested under section 6(c) of the Act that would exempt applicant from all provisions of the Act.

SUMMARY OF APPLICATION: Applicant requests an order that would permit it to sell certain debt securities and use the proceeds to finance the business activities of its parent company, Canadian Imperial Bank of Commerce ("CIBC"), and certain companies controlled by CIBC.

FILING DATE: The applicant was filed on June 6, 1996 and was amended on December 20, 1996.

HEARING OR NOTIFICATION OF HEARING: An order granting the application will be issued unless the SEC orders a hearing. Interested persons may request a hearing by writing to the SEC's Secretary and serving applicant with a copy of the request, personally or by mail. Hearing requests should be received by the SEC by 5:30 p.m. on January 27, 1997, and should be accompanied by proof of service on applicant, in the form of an affidavit or, for lawyers, a certificate of service. Hearing requests should state the nature of the writer's interest, the reason for the request, and the issues contested. Persons who wish to be notified of a hearing may request notification by writing to the SEC's Secretary.

ADDRESSES: Secretary, SEC, 450 Fifth Street, N.W., Washington, D.C. 20549. Applicant, 425 Lexington Avenue, 9th Floor, New York, New York 10017.

FOR FURTHER INFORMATION CONTACT: Sarah A. Buescher, Staff Attorney, at (202) 942-0573, or Alison E. Baur, Branch Chief, at (202) 942-0564 (Division of Investment Management, Office of Investment Company Regulation).

SUPPLEMENTARY INFORMATION: The following is a summary of the application. The complete application may be obtained for a fee at the SEC's Public Reference Branch.

Applicant's Representations

1. Applicant is a Delaware corporation formed in December, 1981. All of applicant's outstanding voting securities are owned by CIBC. CIBC, a diversified financial institution governed by the Bank Act (Canada), provides, directly and through its subsidiaries, a broad range of personal, commercial, investment, and corporate banking services for its customers throughout the world. CIBC Inc. ("CI") is a wholly-owned subsidiary of applicant that engages in the business of making loans primarily to commercial and industrial companies, real estate related loans and lease activities, and loans to depository institutions and foreign governments. CIBC Leasing Inc., also a wholly-owned subsidiary of applicant, engages in commercial leasing activities, primarily equipment leases to manufacturing companies.

2. In addition to owning CI and CIBC Leasing Inc., applicant acts as a holding company for CIBC's United States subsidiaries ("U.S. Subsidiaries"). Applicant also engages in financing activities and provides funds for CIBC, CI, CIBC Leasing Inc., and the U.S. Subsidiaries (collectively, the "CIBC Entities"). Applicant proposes to obtain funds through the offer and sale of its debt securities in the United States and in overseas markets, and to lend the proceeds to the CIBC Entities.

3. Due to the nature of the debt markets, applicant may borrow in amounts exceeding the amounts required by the CIBC Entities at any given time. However, at least 85% of the cash or cash equivalents raised by applicant through the sale of debt securities will be loaned to the CIBC Entities as soon as practicable, but in no event later than six months after applicant's receipt of such cash or cash equivalents. Amounts that are not loaned to the CIBC Entities will be invested in government securities, securities of CIBC, CI or a company

controlled by CIBC (or, in the case of a partnership or joint venture, the securities of the partners or participants in the joint venture), debt securities (including repurchase agreements) which are exempted from the provisions of the Securities Act of 1933 (the "Securities Act") by section 3(a)(3) of the Securities Act, or equity securities of unaffiliated companies in an amount that does not exceed 4% of applicant's assets.

4. Any issuance of debt securities by applicant will be guaranteed unconditionally by CIBC as to the payment of principal, interest, and premium on the securities, if any (the "Guarantee"), in accordance with rule 3a-5(a)(1). The Guarantee will provide each holder of applicant's debt securities a direct right of action against CIBC to enforce CIBC's obligations under the Guarantee without first proceeding against applicant.

Applicant's Legal Analysis

1. Applicant requests relief under section 6(c) of the Act for an exemption from all provisions of the Act. The Commission has determined that it is appropriate to exempt a finance subsidiary from all provisions of the Act where the primary purpose of the finance subsidiary is to finance the business operations of its parent or other subsidiaries controlled by its parent and where any purchaser of the finance subsidiary's securities ultimately looks to the parent for repayment and not to the finance subsidiary.¹

2. Rule 3a-5(b)(3)(i) in relevant part defines a "company controlled by the parent company" to be a corporation, partnership, or joint venture that is not considered an investment company under section 3(a) or that is excepted or exempted by order from the definition of investment company by section 3(b) or by the rules and regulations under section 3(a). Certain of the CIBC Entities do not fit within the technical definition of "companies controlled by the parent company" because they derive their non-investment company status from section 3(c) of the Act.

3. In the release adopting rule 3a-5, the Commission stated that it may be appropriate to grant exemptive relief to the finance subsidiary of a section 3(c) issuer, but only on a case-by-case basis upon an examination of all relevant

¹ Investment Company Act Release No. 14275 (Dec. 14, 1984) (release adopting rule 3a-5 under the Act). Rule 3a-5 provides an exemption from the definition of investment company for certain companies organized primarily to finance the business operations of their parent companies or companies controlled by their parent companies.