

### Order of the Commodity Futures Trading Commission Exempting From Regulation Certain Foreign Currency Option Transactions

Whereas, it is the Commission's understanding, based upon representations made by the Philadelphia Stock Exchange, Inc. ("PHLX") as set forth in a Request for Exemptive Relief from regulation under the Commodity Exchange Act (7 U.S.C. 1 *et seq.*), dated August 15, 1996, that PHLX and the Hong Kong Futures Exchange Ltd. ("HKFE") have entered into a licensing agreement (the "Linkage") pursuant to which foreign currency options ("FCOs") listed and traded on PHLX will be cross-listed and traded on HKFE. The Linkage will permit PHLX FCOs to be traded on HKFE during Asian business hours. Transactions for U.S. customers will be effected only through brokers or dealers registered as such with the Securities and Exchange Commission ("SEC") on behalf of persons meeting the PHLX customer options account approval and suitability standards (approved by the SEC) for persons engaging in options transactions. Transactions on PHLX for non-U.S. customers, whether or not initiated through a non-PHLX member, must ultimately be effected through a member of PHLX that is a clearing member of The Options Clearing Corporation ("OCC").

Whereas, transactions effected through the Linkage will be issued, cleared and settled by OCC pursuant to the terms of an International Market Agreement ("IMA") among PHLX, HKFE and OCC. Clearing of trades in PHLX FCOs for HKFE members that are not clearing members of OCC (whether such trades are effected on PHLX or on HKFE) will be made by an OCC clearing member or an affiliate of HKFE (as an "associate clearinghouse" of OCC) pursuant to an Associate Clearinghouse Agreement between OCC and such affiliate of HKFE, and such associate clearinghouse will be treated in all material respects as a clearing member of OCC for purposes of Linkage transactions.

Whereas, PHLX and HKFE have entered into an Intermarket Surveillance Group Surveillance Sharing Agreement obligating each to use its best efforts to obtain and provide information required by the other to fulfill its self-regulatory responsibilities.

Whereas, PHLX will submit for SEC approval an amendment to PHLX's rules, permitting the establishment and operation of the Linkage, and that OCC will likewise submit a rule amendment

to accommodate clearing and settlement functions with respect to the Linkage.

And Whereas, PHLX represents that the licensing agreement and other relevant documentation, including the Surveillance Sharing Agreement, the IMA and the Associate Clearinghouse Agreement, are consistent with the aforesaid understanding of the Linkage arrangement and will be submitted to the SEC for its review in conjunction with the SEC's review of PHLX and OCC rule changes to implement the Linkage.

*It is therefore ordered*, pursuant to section 4c(b) of the Commodity Exchange Act (the "Act") and based upon the Commission's consideration of the representations set forth in the PHLX Petition and the comments received pursuant to the Notice of Proposed Order and Request for Comments, that transactions in FCOs listed for trading on HKFE as described in the PHLX Petition are exempt from all provisions of the Act and the Commission's rules promulgated thereunder subject to the following conditions:

1. That the Linkage is operated substantially as described in the PHLX Petition;

2. That FCO transactions effected pursuant to the Linkage on behalf of U.S. customers are undertaken through broker-dealers registered as such with the SEC, cleared through clearing facilities subject to SEC oversight, and restricted to customers who satisfy the customer options account approval and suitability standards set forth in PHLX rules approved by the SEC;

3. That the Linkage is implemented pursuant to rules of PHLX and OCC approved by the SEC pursuant to section 19(b) of the Securities Exchange Act of 1934 (the "Exchange Act"), 15 U.S.C. 78s;

4. That HKFE and PHLX will make available to the Commission upon request all information required to be exchanged under the terms of the Intermarket Surveillance Group Surveillance Sharing Agreement between PHLX and HKFE;

5. That HKFE is subject to rules which establish fitness and qualifications of persons through whom customer orders are solicited or accepted, minimum financial requirements for persons that accept customer funds, measures for protection of customer funds from misapplication, recordkeeping and reporting requirements, minimum sales practice and risk disclosure standards, and procedures to ensure and to audit for compliance with regulatory requirements;

6. That all risk assessment information pertinent to the Linkage

provided to the SEC by broker-dealers participating in the Linkage (and that is not otherwise available to the CFTC pursuant to its risk assessment rules) is made available to the Commission by the SEC and/or PHLX upon request and as otherwise appropriate; and

7. That the FCO positions, regardless of where established, will be treated as securities for purposes of required segregation pursuant to Exchange Act Rule 15c3-3 and for application of the relevant insolvency laws, including the Bankruptcy Code and rules, and Securities Investor Protection Act of 1970.

By issuing this Order, the Commission does not intend to prohibit or restrict the ability of any futures exchange to establish a similar linkage arrangement with HKFE.

By issuing this Order, the Commission takes notice of its surveillance and enforcement information sharing arrangements with the appropriate Hong Kong regulatory authorities.

The Commission retains the authority to terminate or otherwise to modify this relief at such time as it determines that exemption of transactions through the Linkage is no longer in the public interest.

Issued in Washington, DC on March 28, 1997, by the Commission.

**Jean A. Webb,**

*Secretary of the Commission.*

[FR Doc. 97-8365 Filed 4-1-97; 8:45 am]

BILLING CODE 6351-01-P

## DEPARTMENT OF DEFENSE

### Department of the Army

#### Corps of Engineers

#### Inland Waterways Users Board

**AGENCY:** U.S. Army Corps of Engineers, DoD.

**ACTION:** Notice of open meeting.

**SUMMARY:** In Accordance with 10(a)(2) of the Federal Advisory Committee Act, Public Law (92-463) announcement is made of the next meeting of the Inland Waterways Users Board. The meeting will be held on 18 April 1997 at the Tulsa Port of Catoosa, located at 5350 Cimarron Road in Catoosa, Oklahoma, (Tel. 918-266-2291). Registration will begin at 8:30 AM and the meeting is scheduled to adjourn at 5:00 PM. The meeting is open to the public. Any interested person may attend, appear before, or file statements with the Committee at the time and in the manner permitted by the committee.

**FOR FURTHER INFORMATION CONTACT:**

Mr. Norman T. Edwards, 202-761-8569, Headquarters, U.S. Army Corps of Engineers, CECW-PD, Washington, DC 20314-1000.

**SUPPLEMENTARY INFORMATION:** None.

**Gregory D. Showalter,**

*Army Federal Register Liaison Officer.*

[FR Doc. 97-8336 Filed 4-1-97; 8:45 am]

BILLING CODE 3710-92-M

**Department of the Navy****Privacy Act of 1974; System of Records**

**AGENCY:** Department of the Navy, DOD.

**ACTION:** Delete record systems notice.

**SUMMARY:** The Department of the Navy proposes to delete a records notice in its inventory of record systems subject to the Privacy Act of 1974 (5 U.S.C. 552a), as amended.

**DATES:** The deletions will be effective on May 2, 1997, unless comments are received that would result in a contrary determination.

**ADDRESSES:** Send comments to the Department of the Navy, PA/FOIA Policy Branch, Chief of Naval Operations (N09B30), 2000 Navy Pentagon, Washington, DC 20350-2000.

**FOR FURTHER INFORMATION CONTACT:** Mrs. Doris Lama at (202) 685-6545 or DSN 325-6545.

**SUPPLEMENTARY INFORMATION:** The Department of the Navy's record system notices for records systems subject to the Privacy Act of 1974 (5 U.S.C. 552a), as amended, have been published in the **Federal Register** and are available from the address above.

The Department of the Navy proposes to delete a system of records notice in its inventory of record systems subject to the Privacy Act of 1974 (5 U.S.C. 552a), as amended. The deletion is not within the purview of subsection (r) of the Privacy Act of 1974 (5 U.S.C. 552a), as amended, which requires the submission of new or altered system report.

Dated: March 26, 1997.

**L. M. Bynum,**

*Alternate OSD Federal Register Liaison Officer, Department of Defense.*

**N04385-1**

**SYSTEM NAME:**

IG Investigatory System (*February 22, 1993, 58 FR 10740*).

Reason: Records in this system were consolidated into N05041-1, entitled

Inspector General (IG) Records on March 18, 1997 at 62 FR 12806.

[FR Doc. 97-8139 Filed 4-1-97; 8:45 am]

BILLING CODE 5000-04-F

**DEPARTMENT OF EDUCATION****Notice of Proposed Information Collection Requests**

**AGENCY:** Department of Education.

**ACTION:** Proposed collection; comment request.

**SUMMARY:** The Director, Information Resources Management Group, invites comments on the proposed information collection requests as required by the Paperwork Reduction Act of 1995.

**DATES:** Interested persons are invited to submit comments on or before June 2, 1997.

**ADDRESSES:** Written comments and requests for copies of the proposed information collection requests should be addressed to Patrick J. Sherrill, Department of Education, 600 Independence Avenue, S.W., Room 5624, Regional Office Building 3, Washington, DC 20202-4651.

**FOR FURTHER INFORMATION CONTACT:**

Patrick J. Sherrill (202) 708-8196. Individuals who use a telecommunications device for the deaf (TDD) may call the Federal Information Relay Service (FIRS) at 1-800-877-8339 between 8 a.m. and 8 p.m., Eastern time, Monday through Friday.

**SUPPLEMENTARY INFORMATION:** Section 3506 of the Paperwork Reduction Act of 1995 (44 U.S.C. Chapter 35) requires that the Office of Management and Budget (OMB) provide interested Federal agencies and the public an early opportunity to comment on information collection requests. OMB may amend or waive the requirement for public consultation to the extent that public participation in the approval process would defeat the purpose of the information collection, violate State or Federal law, or substantially interfere with any agency's ability to perform its statutory obligations. The Director, Information Resources Management Group publishes this notice containing proposed information collection requests prior to submission of these requests to OMB. Each proposed information collection, grouped by office, contains the following: (1) Type of review requested, e.g., new, revision, extension, existing or reinstatement; (2) Title; (3) Summary of the collection; (4) Description of the need for, and proposed use of, the information; (5) Respondents and frequency of

collection; and (6) Reporting and/or Recordkeeping burden. OMB invites public comment at the address specified above. Copies of the requests are available from Patrick J. Sherrill at the address specified above.

The Department of Education is especially interested in public comment addressing the following issues: (1) Is this collection necessary to the proper functions of the Department, (2) will this information be processed and used in a timely manner, (3) is the estimate of burden accurate, (4) how might the Department enhance the quality, utility, and clarity of the information to be collected, and (5) how might the Department minimize the burden of this collection on the respondents, including through the use of information technology.

Dated: March 27, 1997.

**Gloria Parker,**

*Director, Information Resources Management Group.*

**Office of Postsecondary Education**

**Title:** Application for the Comprehensive Program of the Fund for the Improvement of Postsecondary Education (New Grants and Continuation Grants).

**Frequency:** Annually.

**Affected Public:** Not-for-profit institutions; State, local or Tribal Gov't, SEAs or LEAs.

**Annual Reporting and Recordkeeping Hour Burden:** Responses: 2,350; Burden Hours: 28,100.

**Abstract:** The Comprehensive application is for competition awards with a two-stage application process: preliminary and final. Continuations are non-competitive grants for current comprehensive program grantees making satisfactory progress.

**Office of Postsecondary Education**

**Title:** Lender's Application for Payment of Insurance Claim.

**Frequency:** As needed.

**Affected Public:** Business or other for-profit; State and Federal Government Agencies.

**Annual Reporting and Recordkeeping Hour Burden:** Responses: 6,202; Burden Hours: 2,604.

**Abstract:** The Lender's Application for Payment of Insurance Claim is completed for each borrower for whom the lender is filing a Federal claim. Lenders must file for payment within 90 days of the default, depending on the type of claim filed.

**Office of Special Education and Rehabilitative Services**

**Type of Review:** Reinstatement.