

accordance with a method approved by the Manager Standardization Branch, ANM-113, FAA, Transport Airplane Directorate.

(b) An alternative method of compliance or adjustment of the compliance time that provides an acceptable level of safety may be used if approved by the Manager, Manager, Standardization Branch, ANM-113, FAA, Transport Airplane Directorate. Operators shall submit their requests through an appropriate FAA Principal Maintenance Inspector, who may add comments and then send it to the Manager, Standardization Branch, ANM-113.

Note 2: Information concerning the existence of approved alternative methods of compliance with this AD, if any, may be obtained from the Standardization Branch, ANM-113.

(c) Special flight permits may be issued in accordance with sections 21.197 and 21.199 of the Federal Aviation Regulations (14 CFR 21.197 and 21.199) to operate the airplane to a location where the requirements of this AD can be accomplished.

(d) The actions shall be done in accordance with Dornier Service Bulletin SB-328-53-051, dated August 16, 1994. This incorporation by reference was approved by the Director of the Federal Register in accordance with 5 U.S.C. 552(a) and 1 CFR part 51. Copies may be obtained from Dornier Luftfahrt GmbH, P.O. Box 1103, D-82230 Wessling, Germany. Copies may be inspected at the FAA, Transport Airplane Directorate, 1601 Lind Avenue, SW., Renton, Washington; or at the Office of the Federal Register, 800 North Capitol Street, NW., suite 700, Washington, DC.

(e) This amendment becomes effective on April 3, 1997.

Issued in Renton, Washington, on February 20, 1997.

James V. Devany,

Acting Manager, Transport Airplane Directorate, Aircraft Certification Service.

[FR Doc. 97-4717 Filed 2-26-97; 8:45 am]

BILLING CODE 4910-13-U

## COMMODITY FUTURES TRADING COMMISSION

### 17 CFR Part 30

#### Foreign Futures and Option Transactions

**AGENCY:** Commodity Futures Trading Commission.

**ACTION:** Order.

**SUMMARY:** The Commodity Futures Trading Commission ("Commission" or "CFTC") is issuing a Supplemental Order authorizing members of the Montreal Exchange ("Exchange") designated for relief under Commission rule 30.10 ("Exchange Member" or "Member") to solicit and accept orders from U.S. customers for otherwise

permitted transactions<sup>1</sup> on all non-U.S. exchanges where such Members are authorized by the regulations of the Montreal Exchange to conduct futures business for customers.

This Supplemental Order is issued pursuant to Commission rule 30.10, which permits the Commission to grant an exemption from certain provisions of Part 30 of the Commission's regulations, and the Commission's Order dated March 14, 1989, granting relief under rule 30.10 to designated members of the Montreal Exchange.

**EFFECTIVE DATE:** February 27, 1997.

**FOR FURTHER INFORMATION CONTACT:** Jane C. Kang, Esq., or Robert H. Rosenfeld, Esq., Division of Trading and Markets, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street, N.W., Washington, D.C. 20581. Telephone: (202) 418-5430.

**SUPPLEMENTARY INFORMATION:** The Commission has issued the following Supplemental Order:

*Supplemental Order Permitting Members of the Montreal Exchange Designated for Relief Under Commission Rule 30.10 to Solicit and to Accept Orders from U.S. Customers for Otherwise Permitted Transactions on All Non-U.S. Exchanges Where Such Members Are Authorized by Exchange Regulations to Conduct Futures Business for Customers*

On March 14, 1989, the Commission issued an Order granting relief under rule 30.10 to designated members of the Montreal Exchange, 54 FR 11179 (March 17, 1989) ("Original Order"). The Original Order limited the scope of permissible brokerage activities undertaken by designated Montreal Exchange members on behalf of U.S. customers to transactions "on or subject to the rules of the Exchange." 54 FR at 11811 (condition (1)(c)). Subsequently, however, the Commission has issued rule 30.10 orders which did not include this limitation.<sup>2</sup>

<sup>1</sup> Relief under this Supplemental Order extends only to those products falling within the jurisdiction of the Commodity Exchange Act ("CEA" or "Act") and remains subject to existing product restrictions under the CEA and Commission regulations and procedures thereunder related to stock indices and foreign government debt (see CEA section 2(a)(1)(B)(v) and Securities and Exchange Commission rule 3a12-8).

<sup>2</sup> In 1989 the Commission issued a series of rule 30.10 orders authorizing firms designated by the U.K. Securities and Investments Board and certain U.K. "Self-Regulating Organisations" to conduct brokerage activities for U.S. customers on any non-U.S. exchange designated under U.K. law. See 54 FR 21599, 21600 (May 19, 1989) (SIB), 54 FR 21604, 21605 (May 19, 1989) (Association of Futures Brokers and Dealers ("AFBD")), 54 FR 21609, 21610 (May 19, 1989) (The Securities Association ("TSA")), and 54 FR 21614, 21615 (May 19, 1989)

By letter dated March 26, 1996, the Montreal Exchange petitioned the Commission to revise the Original Order to permit designated members of the Montreal Exchange to solicit or accept orders from U.S. foreign futures and options customers for all otherwise permitted transactions on all non-U.S. exchanges<sup>3</sup> where Exchange Members are authorized by Exchange regulations to conduct futures and options business for customers, subject to the Montreal Exchange's and Members' continued compliance with the terms of the Original Order and such other conditions as may be imposed by the Commission.<sup>4</sup> The Exchange further represented that it would carry out its compliance, surveillance, and rule enforcement activities with respect to solicitations and acceptances of orders by designated Montreal Exchange members of U.S. customers for otherwise permitted transactions on all non-U.S. markets where such Members are authorized by Exchange regulations to conduct futures and options business for U.S. customers.

Upon due consideration and for the reasons stated in the Original Order, the Commission has determined to issue this Supplemental Order permitting Montreal Exchange members designated for rule 30.10 relief to solicit and to accept orders from U.S. foreign futures and options customers for otherwise permitted transactions in commodity futures and commodity options (including options on futures) on or subject to the rules of any exchange where such Montreal Exchange Members are authorized by Exchange regulations to conduct options and futures business for customers, other than a contract market designated as such pursuant to section 5 of the CEA,

(Investment Management Regulatory Organisation). The AFBD and TSA subsequently merged to form the Securities and Futures Association, which became the successor organization for rule 30.10 purposes. See 56 FR 14017 (April 5, 1991).

The Commission also has issued similar supplemental relief to the Sydney Futures Exchange, see 58 FR 19209 (April 13, 1993), and to the New Zealand Futures and Options Exchange, see 61 FR 64985 (December 10, 1996).

<sup>3</sup> The term "non-U.S. exchange" refers to a foreign board of trade which is defined in Commission rule 1.3(ss), 17 CFR § 1.3(ss) as: Any board of trade, exchange or market located outside the United States, its territories or possessions, whether incorporated or unincorporated, where foreign futures or foreign options transactions are entered into.

Thus, contracts that are traded on a market that has been designated as a contract market pursuant to section 5 of the CEA are not within the scope of this Order.

<sup>4</sup> Letter dated March 26, 1996, from Johanne Dupont, Legal Counsel to the Montreal Exchange, to Ms. Jane Kang, CFTC Division of Trading and Markets ("March 26, 1996 Request").

undertaken by such Members from a location in Quebec.

The expanded rule 30.10 relief provided under this Supplemental Order, however, is contingent on the Montreal Exchange's and Exchange Members' continued compliance with the Original Order and their compliance with the following conditions:

(1) The Montreal Exchange will carry out its compliance, surveillance and rule enforcement activities with respect to solicitations and acceptance of orders by designated Exchange Members of U.S. customers for options and futures business on all non-U.S. exchanges listed in Article 7452 of the Exchange rules to the same extent that it conducts such activities in regard to Exchange business;

(2) It will cooperate with the Commission with respect to any inquiries concerning any activity which is the subject of this Supplemental Order, including sharing the information specified in Appendix A to the Part 30 rules, 17 CFR Part 30, on an "as needed" basis on the same basis as set forth in the Original Order;

(3) Each Montreal Exchange Member firm confirmed for relief under the Original Order seeking to engage in activities which are the subject of this Supplemental Order must agree to provide the books and records related to such activities required to be maintained under the applicable Exchange regulations and laws in effect in Quebec on the same basis as set forth in the Original Order.<sup>5</sup>

Furthermore, the Commission seeks to ensure that the funds of U.S. foreign futures and options customers will be subject to consistent protection irrespective of whether the Montreal Exchange Member effects trades directly on the Montreal Exchange (where under the terms of the Original Order Exchange Members are required to maintain a separate account in a manner consistent with the provisions of rule 30.7)<sup>6</sup> effects trades on another foreign futures and options exchange of which the Montreal Exchange firm is a member, or trades through the intermediation of a foreign exchange member. Accordingly, the expanded relief permitting Montreal Exchange Member firms to engage in foreign futures and options transactions for U.S. customers other than on the Montreal Exchange under this Supplemental Order will be contingent upon compliance by the Exchange Member

firm with the following additional conditions:

(4) Foreign futures and options exchanges on which the Montreal Exchange Member firm may engage in transactions on behalf of U.S. customers are those non-U.S. exchanges identified in Article 7452 of the Exchange rules, provided however, that Exchange Members may not engage in any transactions on behalf of U.S. customers on an exchange designated as a contract market under section 5 of the CEA;

(5) The Montreal Exchange Member firm will continue to comply with the terms of the Original Order with respect to transactions effected for U.S. customers on the Montreal Exchange;<sup>7</sup>

(6) With respect to transactions effected on any other non-U.S. futures and options exchange on behalf of U.S. customers, whether by the Montreal Exchange Member directly as a clearing member of such other exchange or through the intermediation of one or more intermediaries, the Montreal Exchange Member complies with paragraphs (6) 1 or 2 below:

1. a. must maintain in a separate account or accounts money, securities and property in an amount at least sufficient to cover or satisfy all of its current obligations to U.S. customers denominated as the foreign futures or foreign options secured amount;

b. may not commingle such money, securities and property with the money, securities or property of the Member, with any proprietary account of such Member and may not use such money, securities and property to secure or guarantee the obligations of, or extend credit to, the Member or any proprietary account of the Member;

c. may deposit together with the secured amount required to be on deposit in the separate account or accounts referred to in paragraph (6)1. a. above, money, securities or property held for or on behalf of non-U.S. customers of the Member for the purpose of entering into foreign futures and options transactions. In such a case, the amount that must be deposited in such separate account or accounts must be no less than the greater of (1) the foreign futures and foreign options secured amount required by paragraph (6)1. a. above, plus the amount that would be required to be on deposit if all such customers (including non-U.S. customers) were subject to such requirement, or (2) the foreign futures and foreign options secured amount required by paragraph (6)1. a. above, plus the amount required to be held in a separate account or accounts for or on behalf of such non-U.S. customers pursuant to any applicable law, rule, regulation or order, or any rule of any self-regulatory organization;

d. the separate account or accounts referred to in paragraph (6)1. a. above must be maintained under an account name that clearly identifies them as such, with any of the following depositories:

(1) another person registered with the Commission as a futures commission

merchant ("FCM") or a firm exempted from FCM registration pursuant to CFTC rule 30.10;

(2) the clearing organization of any foreign board of trade;

(3) any member and/or clearing member of such foreign board of trade; or

(4) a bank or trust company which any of the depositories identified in (1)–(3) above may use consistent with the applicable laws and rules of the jurisdiction in which the depository is located; and

e. the separate account or accounts referred to in paragraph (6)1. a. may be deemed a good secured amount depository only if the Member obtains and retains in its files for the period required by applicable law and Exchange regulations a written acknowledgement from such separate account depository that:

(1) it was informed that such money, securities or property are held for or on behalf of customers of the Member; and

(2) it will ensure that such money, securities or property will be held and treated at all times effectively in accordance with the provisions of this paragraph; and, *provided further*, that the Member assures itself that such separate account depository will not pass on such money, securities or property to any other depository unless the Member has assured itself that all such other separate account depositories will treat such funds in a manner consistent with the procedures described in this paragraph (6)1 herein;<sup>8</sup> or,

<sup>8</sup>This proviso is intended to ensure that the originating Member makes reasonable inquiries and understands prior to the initiation of a trade the conditions under which its customers' funds will be held at all subsequent depositories, so that it may determine whether it may count a particular intermediary or clearing house as a good separate account depository for purposes of this Order or must alternatively set aside funds in the manner set forth in paragraph (6)2. The Member initially would discuss with its immediate intermediary broker whether funds will be transferred to any subsequent depositories and determine the conditions under which such funds would be treated. Compliance with this condition would be satisfied by the Member obtaining relevant information or assurances from appropriate sources such as, for example, the immediate intermediary broker, exchanges or clearinghouses, exchange regulators, banks, attorneys or regulatory references.

This requirement is intended to ensure that funds provided by U.S. customers for foreign futures and options transactions, whether held at a U.S. FCM under rule 30.7(c) or a firm exempted from registration as an FCM under CFTC rule 30.10, will receive equivalent protection at all intermediaries and exchange clearing organizations. Thus, for example, an exchange that does not segregate customer from firm obligations and firms which trade on such exchanges and which do not arrange to comply otherwise with any of the procedures described in paragraph (6) would not be deemed an acceptable separate account. Specifically, such exchange or firms could not provide a valid and binding acknowledgement to a rule 30.10 exempted firm.

This provision is not intended to create a duty on a rule 30.10 firm that it audit any intermediaries for continued compliance with the undertakings it has obtained based on discussions with those relevant intermediaries. It is intended to make clear that firms must engage in a due diligence inquiry before customer funds are sent to another intermediary and take appropriate action (*i.e.*, set aside funds) in

<sup>5</sup> Montreal Exchange member firms which currently operate under the Original Order will be deemed to have consented to condition (3) by effecting transactions pursuant to this Supplemental Order. Exchange members which apply for confirmation of rule 30.10 relief subsequent to the issuance of this Supplementary Order must submit representations to the Commission consistent with condition (3) of this Order.

<sup>6</sup> See paragraph (2)(f) of the Original Order.

<sup>7</sup> See CFTC Advisory No. 87–4, Foreign Futures and Options: Compliance and Operational Questions and Answers, November 18, 1987, reprinted in *Comm. Fut. L. Rep.* (CCH) ¶ 23,975.

2. must set aside funds constituting the entire secured amount requirement in a separate account as set forth in Commission rule 30.7, 17 C.F.R. § 30.7, and treat those funds in the manner described by that rule.

The expanded rule 30.10 relief provided by this Supplemental Order also is contingent upon the Montreal Exchange's and Montreal Exchange Members' continued compliance with the Original Order and the enumerated conditions above.

This Supplemental Order is issued based on the information provided to the Commission as set forth herein, including the letter dated March 26, 1996, from the Montreal Exchange. Any changes or material omissions may require the Commission to reconsider the authorization granted in this Supplemental Order.

Further, if experience demonstrates that the continued effectiveness of this Order in general, or with respect to a particular Member, would be contrary to public policy or the public interest, or that the systems in place for the exchange of information or other circumstances do not warrant continuation of the exemptive relief granted herein, the Commission may condition, modify, suspend, terminate, withhold as to a specific Member, or otherwise restrict the exemptive relief granted in this Order, as appropriate, on its own motion. If necessary, provisions will be made for servicing existing client positions.

#### List of Subjects in 17 CFR Part 30

Commodity futures, Commodity options, Foreign futures.

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

### PART 30—FOREIGN FUTURES AND FOREIGN OPTIONS TRANSACTIONS

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

Authority: 7 U.S.C. 1a, 2, 4, 6, 6c and 12a, unless otherwise noted.

2. Appendix C to Part 30 is amended by adding the following citation under the existing entry for Firms designated by the Montreal Exchange to read as follows:

Appendix C to Part 30—Foreign Petitioners Granted Relief From the Application of Certain of the Part 30 Rules Pursuant to § 30.10

\* \* \* \* \*

the event that it becomes aware of facts leading it to conclude that customer funds are not being handled consistent with the requirements of Commission rules or relevant rule 30.10 order by any subsequent intermediary or clearing house.

Firms designated by the Montreal Exchange.

\* \* \* \* \*

FR date and citation: February 27, 1997, 62 FR.

\* \* \* \* \*

Issued in Washington, D.C. on February 21, 1997.

Jean Webb,

*Secretary of the Commission.*

[FR Doc. 97-4865 Filed 2-26-97; 8:45 am]

BILLING CODE 6351-01-P

### SECURITIES AND EXCHANGE COMMISSION

#### 17 CFR Part 232

[Release Nos. 33-7394; 34-38319; 35-26672; 39-2346; IC-22522]

RIN 3235-AG96

#### Adoption of Updated EDGAR Filer Manual

AGENCY: Securities and Exchange Commission.

ACTION: Final rules.

**SUMMARY:** The Commission is adopting an updated edition of the EDGAR Filer Manual and is providing for its incorporation by reference into the Code of Federal Regulations.

**EFFECTIVE DATE:** The amendment to 17 CFR Part 232 (Regulation S-T) will be effective on March 10, 1997. The new edition of the EDGAR Filer Manual (Release 5.20) will be effective on March 10, 1997. The incorporation by reference of the EDGAR Filer Manual is approved by the Director of the Federal Register as of March 10, 1997.

**FOR FURTHER INFORMATION CONTACT:** In the Office of Information Technology, David T. Copenhafer at (202) 942-8800; for questions concerning investment company filings, Ruth Armfield Sanders, Senior Counsel, Division of Investment Management, at (202) 942-0591; and for questions with respect to documents subject to review by the Division of Corporation Finance, Margaret R. Black at (202) 942-2940.

**SUPPLEMENTARY INFORMATION:** The Commission today announces the adoption of an updated EDGAR Filer Manual ("Filer Manual"), which sets forth the technical formatting requirements governing the preparation and submission of electronic filings through the Electronic Data Gathering, Analysis, and Retrieval ("EDGAR") system.<sup>1</sup> Compliance with the

<sup>1</sup> The Filer Manual originally was adopted on April 1, 1993, and became effective on April 26,

provisions of the Filer Manual is required in order to assure the timely acceptance and processing of filings made in electronic format. Filers should consult the Filer Manual in conjunction with the Commission's rules governing mandated electronic filing when preparing documents for electronic submission.<sup>2</sup>

In this update, several submission types have been added to accommodate electronic submission of certain investment company filings. Specifically, new EDGAR submission types "40-17F1" and "40-17F2" have been added to accommodate the filing of Forms N-17F-1<sup>3</sup> and N-17F-2;<sup>4</sup> submission type "N-23C-2," to accommodate filings under Rule 23c-2(b);<sup>5</sup> and submission types "N-23C3A," "N-23C3B," and "N-23C3C," to accommodate the filing of Form N-23C-3,<sup>6</sup> pursuant to Rule 23c-3.<sup>7</sup>

With respect to documents subject to review by the Division of Corporation Finance, two additional submission types have been added to accommodate more completely the electronic submission of filings made pursuant to Rule 462(b)<sup>8</sup> under the Securities Act of 1933.<sup>9</sup>

1993. Release No. 33-6986 (April 1, 1993) (58 FR 18638). The most recent update to the Filer Manual was adopted in Release No. 33-7351 (October 2, 1996) [61 FR 52283], and became effective on October 7, 1996.

<sup>2</sup> See Release Nos. 33-6977 (February 23, 1993) (58 FR 14628), IC-19284 (February 23, 1993) (58 FR 14848), 35-25746 (February 23, 1993) (58 FR 14999), and 33-6980 (February 23, 1993) (58 FR 15009) for a comprehensive treatment of the rules adopted by the Commission governing mandated electronic filing. See also Release No. 33-7122 (December 19, 1994) (59 FR 67752), in which the Commission made the EDGAR rules final and applicable to all domestic registrants and adopted minor amendments to the EDGAR rules; Release No. 33-7351, in which the Commission adopted the most recent update to the Filer Manual; and Release No. 33-7369 (December 5, 1996) (61 FR 65440), in which the Commission proposed additional minor technical amendments to the EDGAR rules.

<sup>3</sup> 17 CFR 274.21 (certificate of accounting of securities and similar investments in the custody of management investment companies filed pursuant to Rule 17f-1).

<sup>4</sup> 17 CFR 274.220 (certificate of accounting of securities and similar investments in the custody of management investment companies filed pursuant to Rule 17f-2).

<sup>5</sup> 17 CFR 240.23c-2(b) (notice by closed-end investment companies of intention to call or redeem their own securities).

<sup>6</sup> 17 CFR 274.221 (notification of periodic repurchase offer).

<sup>7</sup> 17 CFR 240.23c-3. Submission type "N-23C3A" is to be used for filings made pursuant to Rule 23c-3(a) only; "N-23C3B," Rule 23c-3(b) only; and "N-23C3C," Rule 23c-3(a) and (b).

<sup>8</sup> 17 CFR 230.462(b).

<sup>9</sup> 15 U.S.C. 77a *et seq.* The new submission types are: S-4MEF (for use in connection with registration statements filed on Form S-4 (17 CFR 239.25) and F-4MEF (for use in connection with registration statements on Form F-4 (17 CFR