

B. Paperwork Reduction Act

The proposed amendments to part 171 rules do not impose a burden within the meaning and intent of the Paperwork Reduction Act of 1980, 44 U.S.C. 3501, et seq.

C. Cost-Benefit Analysis

Section 15(a) of the Commodity Exchange Act, 7 U.S.C. 19(a), requires the Commission to consider the costs and benefits of its action before issuing a new regulation. The Commission understands that, by its terms, section 15(a) does not require the Commission to quantify the costs and benefits of a new regulation or to determine whether the benefits of the proposed regulation outweigh its costs. Nor does it require that each proposed rule be analyzed in isolation when that rule is a component of a larger package of rules or rule revisions. Rather, section 15(a) simply requires the Commission to "consider the costs and benefits" of its action.

Section 15(a) further specifies that costs and benefits shall be evaluated in light of five broad areas of market and public concern: (1) Protection of market participants and the public; (2) efficiency, competitiveness, and financial integrity of futures markets; (3) price discovery; (4) sound risk management practices; and (5) other public interest considerations. Accordingly, the Commission can, in its discretion, give greater weight to any one of the five enumerated areas of concern and can, in its discretion, determine that notwithstanding its costs, a particular rule is necessary or appropriate to protect the public interest or to effectuate any of the provisions, or accomplish any of the purposes, of the Commodity Exchange Act.

The proposed amendments to part 171 will not create any significant change in the Commission's appellate process. In fact, the proposed amendments should enhance the protection of market participants and the public by excluding from the Commission's review matters that represent routine enforcement of an NFA pre-determined sanction, freeing both the Commission's and NFA's resources. In addition, since the proposed amendments retain the Commission's ability to consider appeals that present "extraordinary circumstances," public interest considerations for fundamental fairness and the Commission's supervisory authority regarding self-regulated organizations will not be compromised.

After considering these factors, the Commission has determined to propose

the amendments to part 171, as set forth below.

List of Subjects in 17 CFR Part 171

Administrative practice and procedure, Commodity exchanges, Commodity futures.

In consideration of the following, the Commission proposes to amend chapter I of title 17 of the Code of Federal Regulations as follows:

PART 171—RULES RELATING TO REVIEW OF NATIONAL FUTURES ASSOCIATION DECISIONS IN DISCIPLINARY, MEMBERSHIP DENIAL, REGISTRATION AND MEMBER RESPONSIBILITY ACTIONS

1. The authority citation for part 171 continues to read as follows:

Authority: 7 U.S.C. 4a, 12a, and 21.

2. Section 171.1 is amended in paragraph (b)(4) to add ". Hearing Committee" between "Business Conduct Committees" and "or arbitration panels"; and replacing "." with ";" at the end of (b)(4); and by adding new paragraph (b)(5):

§ 171.1 Scope of rules.

* * * * *

(b) * * *

(5) Suspension of a member or a person associated with a member based solely on that person's failure to pay an arbitration award or a settlement agreement resulting from an arbitration action brought pursuant to Section 17(b)(10) of the Act or rules and regulations of the National Futures Association, or a settlement agreement resulting from a mediation proceeding sponsored by the National Futures Association, unless there are extraordinary circumstances that involve something more than the ministerial application of a predetermined sanction, or raise a colorable claim that the NFA has acted arbitrarily.

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Issued in Washington, DC on the 19th of October 2004, by the Commission.

Jean A. Webb,

Secretary of the Commission.

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DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 25

[REG-163679-02]

RIN 1545-BB72

Qualified Interests

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to notice of proposed rulemaking and notice of public hearing.

SUMMARY: This document contains a correction to a notice of proposed rulemaking that was published in the Federal Register on Monday, July 26, 2004 (69 FR 44476), relating to the gift tax special valuation rules and qualified interests.

FOR FURTHER INFORMATION CONTACT: Juli Ro Kim (202) 622-3090 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The notice of proposed rulemaking (REG-163679-02), that is the subject of this correction is under section 2702 of the Internal Revenue Code.

Need for Correction

As published, the notice of proposed rulemaking (REG-163679-02), contains an error that may prove to be misleading and is in need of clarification.

Correction of Publication

Accordingly, the publication of the notice of proposed rulemaking and notice of public hearing (REG-163679-02), which was the subject of FR Doc. 04-16593, is corrected as follows:

On page 44476, column 2, in the preamble, under the caption DATES, line 2, the language "must be received by October 21, 2004." is corrected to read "must be received by October 25, 2004."

Guy R. Traynor,

Federal Register Liaison, Publication and Regulations Branch, Legal Processing Division, Associate Chief Counsel, (Procedures & Administration).

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