

broker-dealers will be required to follow the ARAs' recordkeeping rules if even a single government securities dealer transaction is conducted.

II. Special Analyses

This final rule amendment does not meet the criteria for a "significant regulatory action" pursuant to Executive Order 12866. The Administrative Procedure Act ("APA") (5 U.S.C. 553) generally requires that prior notice and opportunity for comment be afforded before the adoption of rules by federal agencies. Inasmuch as this final rule merely involves changes to conform with the rule revisions currently being adopted by the federal banking regulatory agencies, while not involving any substantive changes to the regulations, the notice and comment provisions of the APA are unnecessary pursuant to 5 U.S.C. 553(b)(B).

As no notice and public comment are required for this rulemaking, the provisions of the Regulatory Flexibility Act (5 U.S.C. 601, *et. seq.*), do not apply.

The Paperwork Reduction Act (44 U.S.C. 3504(h)) requires that collections of information be submitted to the Office of Management and Budget for review and approval. Since this rule revision does not include any new collection of information given the ARAs' current interpretation and application of their recordkeeping requirements, the Paperwork Reduction Act is inapplicable.

List of Subjects in 17 CFR Part 404

Banks, banking, Brokers, Government securities, Reporting and recordkeeping requirements.

For the reasons set out in the preamble, 17 CFR Part 404 is amended as follows:

PART 404—RECORDKEEPING AND PRESERVATION OF RECORDS

1. The authority citation for Part 404 continues to read as follows:

Authority: 15 U.S.C. 78o-5 (b)(1)(B), (b)(1)(C), (b)(2), (b)(4).

2. Section 404.4 is amended by revising paragraph (a)(1) to read as follows:

§ 404.4 Records to be made and preserved by government securities brokers and dealers that are financial institutions.

(a) * * *

(1) Is subject to 12 CFR part 12 (relating to national banks), 12 CFR part 208 (relating to state member banks of the Federal Reserve System) or 12 CFR part 344 (relating to state banks that are not members of the Federal Reserve System), or is a United States branch or

agency of a foreign bank and complies with 12 CFR part 12 (for federally licensed branches and agencies of foreign banks) or 12 CFR part 208 (for uninsured state-licensed branches and agencies of foreign banks) or 12 CFR part 344 (for insured state licensed branches and agencies of foreign banks);

* * * * *

Dated: January 16, 1997.
John D. Hawke, Jr.,
Under Secretary for Domestic Finance.
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Internal Revenue Service

26 CFR Part 1

[TD 8708]

RIN 1545-AL98

Computation of Foreign Taxes Deemed Paid Under Section 902 Pursuant to a Pooling Mechanism for Undistributed Earnings and Foreign Taxes; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to final regulations.

SUMMARY: This document contains a correction to final income tax regulations which were published in the Federal Register on Tuesday, January 7, 1997 (62 FR 923) relating to the computation of foreign taxes deemed paid under section 902.

EFFECTIVE DATE: January 7, 1997.

FOR FURTHER INFORMATION CONTACT: Caren S. Shein, (202) 622-3850 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations that are the subject of this correction are under section 902 of the Internal Revenue Code.

Need for Correction

As published, the final regulations contain an error which may prove to be misleading and is in need of clarification.

Correction of Publication

Accordingly, the publication of the final regulations (TD 8708), which are the subject of FR Doc. 97-153, is corrected as follows:

§ 1.902-3 [Corrected]

On page 940, column 3, § 1.902-3(l), the sixth line from the bottom of the paragraph, the language "See § 1.902-

1(a)(13)(iii). For" is corrected to read "See § 1.902-1 (a)(13)(i). For".

Michael L. Slaughter,
Acting Chief, Regulations Unit, Assistant Chief Counsel (Corporate).
[FR Doc. 97-3812 Filed 2-14-97; 8:45 am]
BILLING CODE 4830-01-U

26 CFR Part 1

[TD 8701]

RIN 1545-AC06

Treatment of Shareholders of Certain Passive Foreign Investment Companies; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correction to final regulations.

SUMMARY: This document contains a correction to final regulations (TD 8701) which were published in the Federal Register on Friday, December 27, 1996 (61 FR 68149). The final regulations provide rules for making a deemed sale or deemed dividend election to purge a shareholder's holding period of stock of a PFIC of those taxable years during which the PFIC was not a QEF.

EFFECTIVE DATE: December 27, 1996.

FOR FURTHER INFORMATION CONTACT: Gayle Novig (202) 622-3880 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations that are subject to this correction is under section 1291 of the Internal Revenue Code.

Need for Correction

As published, the final regulations (TD 8701) contains an error that may prove to be misleading and is in need of clarification.

Correction of Publication

Accordingly, the publication of final and temporary regulations (TD 8701) which is the subject of FR Doc. 96-32246 is corrected as follows:

§ 1.1291-9 [Corrected]

On page 68152, column 3, § 1.1291-9, paragraph (d)(2)(i), line 9, the language "taxable year of inclusion of each" is corrected to read "taxable year or years of inclusion of each".

Michael L. Slaughter,
Acting Chief, Regulations Unit, Assistant Chief Counsel (Corporate).
[FR Doc. 97-3950 Filed 2-14-97; 8:45 am]
BILLING CODE 4830-01-U