

Category	Twelve-month limit
647/648 .....	5,248,544 dozen of which not more than 5,248,544 dozen shall be in Categories 647-W/648-W <sup>16</sup> .
659-S .....	1,601,702 kilograms.
835 .....	19,020 dozen.
Group II Subgroup	
333/334/335, 341, 342, 350/650, 351, 447/448, 636, 641 and 651, as a group.	76,035,766 square meters equivalent.
Within Group II Subgroup	
333/334/335 .....	292,416 dozen of which not more than 158,392 dozen shall be in Category 335.
341 .....	338,229 dozen.
342 .....	211,293 dozen.
350/650 .....	135,358 dozen.
351 .....	351,522 dozen.
447/448 .....	20,618 dozen.
636 .....	379,718 dozen.
641 .....	730,350 dozen of which not more than 255,622 dozen shall be in Category 641-Y <sup>17</sup> .
651 .....	440,833 dozen.
Group III	
Sublevel in Group III	
845 .....	851,213 dozen.

<sup>1</sup>Category 870; Category 369-L: only HTS numbers 4202.12.4000, 4202.12.8020, 4202.12.8060, 4202.92.1500, 4202.92.3015 and 4202.92.6090; Category 670-L: only HTS numbers 4202.12.8030, 4202.12.8070, 4202.92.3020, 4202.92.3030 and 4202.92.9025.

<sup>2</sup>Category 369-S: only HTS number 6307.10.2005.

<sup>3</sup>Category 369-O: all HTS numbers except 4202.12.4000, 4202.12.8020, 4202.12.8060, 4202.92.1500, 4202.92.3015, 4202.92.6090 (Category 369-L); and 6307.10.2005 (Category 369-S).

<sup>4</sup>Category 669-P: only HTS numbers 6305.32.0010, 6305.32.0020, 6305.33.0010, 6305.33.0020 and 6305.39.0000.

<sup>5</sup>Category 669-T: only HTS numbers 6306.12.0000, 6306.19.0010 and 6306.22.9030.

<sup>6</sup>Category 669-O: all HTS numbers except 6305.32.0010, 6305.32.0020, 6305.33.0010, 6305.33.0020, 6305.39.0000 (Category 669-P); 6306.12.0000, 6306.19.0010 and 6306.22.9030 (Category 669-T).

<sup>7</sup>Category 670-H: only HTS numbers 4202.22.4030 and 4202.22.8050.

<sup>8</sup>Category 670-O: all HTS numbers except 4202.22.4030 4202.22.8050 (Category 670-H); 4202.12.8030, 4202.12.8070, 4202.92.3020, 4202.92.3030 and 4202.92.9025 (Category 670-L).

<sup>9</sup>Category 359-C: only HTS numbers 6103.42.2025, 6103.49.8034, 6104.62.1020, 6104.69.8010, 6114.20.0048, 6114.20.0052, 6203.42.2010, 6203.42.2090, 6204.62.2010, 6211.32.0010, 6211.32.0025 and 6211.42.0010; Category 659-C: only HTS numbers 6103.23.0055, 6103.43.2020, 6103.43.2025, 6103.49.2000, 6103.49.8038, 6104.63.1020, 6104.63.1030, 6104.69.1000, 6104.69.8014, 6114.30.3044, 6114.30.3054, 6203.43.2010, 6203.43.2090, 6203.49.1010, 6203.49.1090, 6204.63.1510, 6204.69.1010, 6210.10.9010, 6211.33.0010, 6211.33.0017 and 6211.43.0010.

<sup>10</sup>Category 359-H: only HTS numbers 6505.90.1540 and 6505.90.2060; Category 659-H: only HTS numbers 6502.00.9030, 6504.00.9015, 6504.00.9060, 6505.90.5090, 6505.90.6090, 6505.90.7090 and 6505.90.8090.

<sup>11</sup>Category 359-O: all HTS numbers except 6103.42.2025, 6103.49.8034, 6104.62.1020, 6104.69.8010, 6114.20.0048, 6114.20.0052, 6203.42.2010, 6203.42.2090, 6204.62.2010, 6211.32.0010, 6211.32.0025 and 6211.42.0010 (Category 359-C); and 6505.90.1540 (Category 359-H).

<sup>12</sup>Category 659-S: only HTS numbers 6112.31.0010, 6112.31.0020, 6112.41.0010, 6112.41.0030, 6112.41.0040, 6211.11.1010, 6211.11.1020, 6211.12.1010 and 6211.12.1020.

<sup>13</sup>Category 659-O: all HTS numbers except 6103.23.0055, 6103.43.2020, 6103.43.2025, 6103.49.2000, 6103.49.8038, 6104.63.1020, 6104.63.1030, 6104.69.1000, 6104.69.8014, 6114.30.3044, 6114.30.3054, 6203.43.2010, 6203.43.2090, 6203.49.1010, 6203.49.1090, 6204.63.1510, 6204.69.1010, 6210.10.9010, 6211.33.0010, 6211.33.0017 and 6211.43.0010 (Category 659-C); 6502.00.9030, 6504.00.9015, 6504.00.9060, 6505.90.5090, 6505.90.6090, 6505.90.7090, 6505.90.8090 (Category 659-H); 6112.31.0010, 6112.31.0020, 6112.41.0010, 6112.41.0030, 6112.41.0040, 6211.11.1010, 6211.11.1020, 6211.12.1010 and 6211.12.1020 (Category 659-S).

<sup>14</sup>Category 347-W: only HTS numbers 6203.19.1020, 6203.19.9020, 6203.22.3020, 6203.22.3030, 6203.42.4005, 6203.42.4010, 6203.42.4015, 6203.42.4025, 6203.42.4035, 6203.42.4045, 6203.42.4060, 6203.49.8020, 6210.40.9033, 6211.20.1520, 6211.20.3810 and 6211.32.0040; Category 348-W: only HTS numbers 6204.12.0030, 6204.19.8030, 6204.22.3040, 6204.22.3050, 6204.29.4034, 6204.62.3000, 6204.62.4005, 6204.62.4010, 6204.62.4020, 6204.62.4030, 6204.62.4040, 6204.62.4050, 6204.62.4065, 6204.69.6010, 6210.50.9060, 6211.20.1550, 6211.20.6810, 6211.42.0030 and 6217.90.9050.

<sup>15</sup>Category 640-Y: only HTS numbers 6205.30.2010, 6205.30.2020, 6205.30.2050 and 6205.30.2060.

<sup>16</sup>Category 647-W: only HTS numbers 6203.23.0060, 6203.23.0070, 6203.29.2030, 6203.29.2035, 6203.43.2500, 6203.43.3500, 6203.43.4010, 6203.43.4020, 6203.43.4030, 6203.43.4040, 6203.49.1500, 6203.49.2015, 6203.49.2030, 6203.49.2045, 6203.49.8030, 6210.40.5030, 6211.20.1525, 6211.20.3820 and 6211.33.0030; Category 648-W: only HTS numbers 6204.23.0045, 6204.29.2020, 6204.29.2025, 6204.29.4038, 6204.63.2000, 6204.63.3000, 6204.63.3510, 6204.63.3530, 6204.69.2510, 6204.69.2530, 6204.69.2540, 6204.69.2560, 6204.69.6030, 6210.50.5035, 6211.20.1555, 6211.43.0040 and 6217.90.9060.

<sup>17</sup>Category 641-Y: only HTS numbers 6204.23.0050, 6204.29.2030, 6206.40.3010 and 6206.40.3025.

The limits set forth above are subject to adjustment pursuant to the current bilateral agreement concerning imports of textile and apparel products from Taiwan.

Products in the above categories exported during 1997 shall be charged to the applicable category limits for that year (see directive dated November 4, 1996) to the extent of any unfilled balances. In the event the limits established for that period have been exhausted by previous entries, such products shall be charged to the limits set forth in this directive.

These limits may be revised if Taiwan becomes a member of the World Trade Organization (WTO) and the WTO agreement is applied to Taiwan.

The conversion factors are as follows:

Category	Conversion factors (square meters equivalent/category unit)
300/301/607 .....	8.5
333/334/335 .....	33.75
352/652 .....	11.3
359-C/659-C .....	10.1
359-H/659-H .....	11.5
369-L/670-L/870 .....	3.8
633/634/635 .....	34.1
638/639 .....	12.5

In carrying out the above directions, the Commissioner of Customs should construe entry into the United States for consumption to include entry for consumption into the Commonwealth of Puerto Rico.

The Committee for the Implementation of Textile Agreements has determined that these actions fall within the foreign affairs exception to the rulemaking provisions of 5 U.S.C. 553(a)(1).

Sincerely,

J. Hayden Boyd,

*Acting Chairman, Committee for the Implementation of Textile Agreements.*

[FR Doc. 97-33910 Filed 12-29-97; 8:45 am]

BILLING CODE 3510-DR-F

**COMMITTEE FOR THE IMPLEMENTATION OF TEXTILE AGREEMENTS**

**Announcement of Import Restraint Limits for Certain Cotton, Wool and Man-Made Fiber Textile Products Produced or Manufactured in the Republic of Turkey**

December 22, 1997.

**AGENCY:** Committee for the Implementation of Textile Agreements (CITA).

**ACTION:** Issuing a directive to the Commissioner of Customs establishing limits.

**EFFECTIVE DATE:** January 1, 1998.

**FOR FURTHER INFORMATION CONTACT:** Roy Unger, International Trade Specialist,

Office of Textiles and Apparel, U.S. Department of Commerce, (202) 482-4212. For information on the quota status of these limits, refer to the Quota Status Reports posted on the bulletin boards of each Customs port or call (202) 927-5850. For information on embargoes and quota re-openings, call (202) 482-3715.

**SUPPLEMENTARY INFORMATION:**

**Authority:** Section 204 of the Agricultural Act of 1956, as amended (7 U.S.C. 1854); Executive Order 11651 of March 3, 1972, as amended.

The import restraint limits for textile products, produced or manufactured in Turkey and exported during the periods January 1, 1998 through March 27, 1998 and January 1, 1998 through December 31, 1998 are based on limits notified to the Textiles Monitoring Body pursuant to the Uruguay Round Agreement on Textiles and Clothing (ATC), and Memoranda of Understanding (MOUs) dated July 19, 1995, between the Governments of the United States and the Republic of Turkey.

In the letter published below, the Chairman of CITA directs the Commissioner of Customs to establish the 1998 limits. The limits for certain categories have been reduced for carryforward applied in 1997.

A description of the textile and apparel categories in terms of HTS numbers is available in the CORRELATION: Textile and Apparel Categories with the Harmonized Tariff Schedule of the United States (see **Federal Register** notice 62 FR 66057, published on December 17, 1997).

**J. Hayden Boyd,**

*Acting Chairman, Committee for the Implementation of Textile Agreements.*

**Committee for the Implementation of Textile Agreements**

December 22, 1997.

Commissioner of Customs,  
*Department of the Treasury, Washington, DC 20229.*

Dear Commissioner: Pursuant to section 204 of the Agricultural Act of 1956, as amended (7 U.S.C. 1854); Executive Order 11651 of March 3, 1972, as amended; and the Uruguay Round Agreement on Textiles and Clothing (ATC); and Memoranda of Understanding (MOUs) dated July 19, 1995 between the Governments of the United States and the Republic of Turkey, you are directed to prohibit, effective on January 1, 1998, entry into the United States for consumption and withdrawal from warehouse for consumption of cotton, wool and man-made fiber textile products in the following categories, produced or manufactured in Turkey and exported during the periods January 1, 1998 through March 27, 1998 (Categories 352/652) and January 1, 1998 through December 31, 1998, in excess of the following levels of restraint:

Category	Restraint limit	Category	Restraint limit
Fabric Group 219, 313, 314, 315, 317, 326, 617, 625/626/627/628/ 629, as a group.	175,846,733 square meters of which not more than 40,184,564 square meters shall be in Category 219; not more than 48,114,466 square meters shall be in Category 313; not more than 28,575,690 square meters shall be in Category 314; not more than 38,398,585 square meters shall be in Category 315; not more than 40,184,564 square meters shall be in Category 317; not more than 4,464,950 square meters shall be in Category 326, and not more than 26,789,711 square meters shall be in Category 617.	342/642 ..... 347/348 .....  350 ..... 351/651 ..... 352/652 ..... 361 ..... 369-S <sup>5</sup> ..... 410/624 .....  448 ..... 604 ..... 611 .....	934,681 dozen. 5,085,297 dozen of which not more than 1,768,887 dozen shall be in Categories 347-T/348-T <sup>4</sup> . 500,846 dozen. 800,767 dozen. 617,370 dozen. 1,782,231 numbers. 1,842,488 kilograms. 1,103,680 square meters of which not more than 671,909 square meters shall be in Category 410. 37,871 dozen. 2,126,771 kilograms. 53,205,155 square meters.
Sublevel in Fabric Group 625/626/627/628/629	18,089,753 square meters of which not more than 7,235,901 square meters shall be in Category 625; not more than 7,235,901 square meters shall be in Category 626; not more than 7,235,901 square meters shall be in Category 627; not more than 7,235,901 square meters shall be in Category 628; and not more than 7,235,901 square meters shall be in Category 629.	<sup>1</sup> Category 338-S: only HTS numbers 6103.22.0050, 6105.10.0010, 6105.10.0030, 6105.90.8010, 6109.10.0027, 6110.20.1025, 6110.20.2040, 6110.20.2065, 6110.90.9068, 6112.11.0030 and 6114.20.0005; Category 339-S: only HTS numbers 6104.22.0060, 6104.29.2049, 6106.10.0010, 6106.10.0030, 6106.90.2510, 6106.90.3010, 6109.10.0070, 6110.20.1030, 6110.20.2045, 6110.20.2075, 6110.90.9070, 6112.11.0040, 6114.20.0010 and 6117.90.9020; Category 638-S: all HTS numbers except 6109.90.1007, 6109.90.1009, 6109.90.1013 and 6109.90.1025; Category 639-S: all HTS numbers except 6109.90.1050, 6109.90.1060, 6109.90.1065 and 6109.90.1070. <sup>2</sup> Category 340-Y: only HTS numbers 6205.20.2015, 6205.20.2020, 6205.20.2046, 6205.20.2050 and 6205.20.2060; Category 640-Y: only HTS numbers 6205.30.2010, 6205.30.2020, 6205.30.2050 and 6205.30.2060. <sup>3</sup> Category 341-Y: only HTS numbers 6204.22.3060, 6206.30.3010, 6206.30.3030 and 6211.42.0054; Category 641-Y: only HTS numbers 6204.23.0050, 6204.29.2030, 6206.40.3010 and 6206.40.3025. <sup>4</sup> Category 347-T: only HTS numbers 6103.19.2015, 6103.19.9020, 6103.22.0030, 6103.42.1020, 6103.42.1040, 6103.49.8010, 6112.11.0050, 6113.00.9038, 6203.19.1020, 6203.19.9020, 6203.22.3020, 6203.42.4010, 6203.42.4015, 6203.42.4025, 6203.42.4035, 6203.42.4045, 6203.49.8020, 6210.40.9033, 6211.20.1520, 6211.20.3810 and 6211.32.0040; Category 348-T: only HTS numbers 6104.12.0030, 6104.19.8030, 6104.22.0040, 6104.29.2034, 6104.62.2006, 6104.62.2011, 6104.62.2026, 6104.62.2028, 6104.69.8022, 6112.11.0060, 6113.00.9042, 6117.90.9060, 6204.12.0030, 6204.19.8030, 6204.22.3040, 6204.29.4034, 6204.62.3000, 6204.62.4005, 6204.62.4010, 6204.62.4020, 6204.62.4030, 6204.62.4040, 6204.62.4050, 6204.69.6010, 6304.69.9010, 6210.50.9060, 6211.20.1550, 6211.20.6810, 6211.42.0030 and 6217.90.9050. <sup>5</sup> Category 369-S: only HTS number 6307.10.2005.	
Limits not in a group 200 ..... 300/301 ..... 335 ..... 336/636 ..... 338/339/638/639 .....	1,695,542 kilograms. 8,255,474 kilograms. 356,446 dozen. 839,628 dozen. 4,939,309 dozen of which not more than 3,704,483 dozen shall be in Categories 338-S/339-S/638-S/639-S <sup>1</sup> .		
340/640 .....	1,568,112 dozen of which not more than 445,991 dozen shall be in Categories 340-Y/640-Y <sup>2</sup> .		
341/641 .....	1,548,584 dozen of which not more than 542,004 dozen shall be in Categories 341-Y/641-Y <sup>3</sup> .		

The limits set forth above are subject to adjustment pursuant to the provisions of the ATC and administrative arrangements notified to the Textiles Monitoring Body.

Products in the above categories exported during 1997 shall be charged to the applicable category limits for that year (see directive dated October 16, 1996) to the

extent of any unfilled balances. In the event the limits established for that period have been exhausted by previous entries, such products shall be charged to the limits set forth in this directive.

In carrying out the above directions, the Commissioner of Customs should construe entry into the United States for consumption to include entry for consumption into the Commonwealth of Puerto Rico.

The Committee for the Implementation of Textile Agreements has determined that these actions fall within the foreign affairs exception of the rulemaking provisions of 5 U.S.C. 553(a)(1).

Sincerely,

J. Hayden Boyd,

*Acting Chairman, Committee for the Implementation of Textile Agreements.*

[FR Doc. 97-33918 Filed 12-29-97; 8:45 am]

BILLING CODE 3510-DR-F

## COMMODITY FUTURES TRADING COMMISSION

### Concept Release on the Denomination of Customer Funds and the Location of Depositories

**AGENCY:** Commodity Futures Trading Commission.

**ACTION:** Request for comment.

**SUMMARY:** The Commodity Futures Trading Commission ("Commission") is publishing this release to obtain the views of the public on how to address risks related to holding segregated funds offshore or in foreign currencies. The Commission wishes to consider how to update and otherwise to revise existing regulatory standards to avoid inhibiting transnational commodity futures activities or causing undue costs or operational inconvenience, without increasing risks to market participants. This initiative is part of the Commission's recently adopted strategic plan, which includes ensuring "sound financial practices of clearing organizations and firms holding customer funds" and facilitating "the continued development of an effective, flexible, regulatory environment responsive to evolving market conditions."<sup>1</sup>

The Commodity Exchange Act ("Act")<sup>2</sup> requires that all money, securities and property received by futures commission merchants ("FCMs") to margin, guarantee, or secure customer trades or contracts on domestic contract markets, or accruing to customers as a result of these trades or contracts, be segregated. Until 1988,

the Commission generally required that such money, securities and property (hereinafter collectively referred to as "customer funds") be held in the United States ("U.S.") with the exception of certain funds held on behalf of non-U.S.-domiciled customers.<sup>3</sup>

In November 1988, the Commission issued Financial and Segregation Interpretation No. 12, "Deposit of Customer Funds in Foreign Depositories" ("Interpretation No. 12").<sup>4</sup> Interpretation No. 12 permits customer funds to be held in depositories located outside of the U.S., subject to limitations and conditions intended for the protection of these funds. At the time Interpretation No. 12 was issued, the Commission stated its intention to "monitor experience under this interpretation \* \* \* to alter or supplement the conditions for keeping segregated funds offshore as such experience renders advisable." Various developments since 1988 make it appropriate to revisit this area.

*Date:* Comments must be received on or before March 2, 1998.

**FOR FURTHER INFORMATION CONTACT:**

France M.T. Maca, Special Counsel, Division of Trading and Markets, Commodity Futures Trading Commission, Three Lafayette Center, 1155 21st Street, N.W. Washington, D.C. 20581. Telephone: (202) 418-5482.

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### SUPPLEMENTARY INFORMATION:

#### I. Background

##### A. Current Regulatory Requirements

##### 1. Commodity Regulation

The maintenance and location of customer funds is prescribed by Section 4d of the Act which requires that each FCM:

Treat and deal with all money, securities, and property received by such [FCM] to margin, guarantee, or secure the trades or contracts of any customer of such [FCM], or accruing to such customer as the result of such trades or contracts, as belonging to such customer. Such money, securities, and property shall be separately accounted for and shall not be commingled with the funds of such [FCM] or be used to margin or guarantee the trades or contracts, or to secure or extend the credit, of any customer or person other than the one from whom the same are held.

It further provides that:

It shall be unlawful for any person, including but not limited to any clearing agency of a contract market and any depository, that has received any money, securities, or property for deposit in a separate account as provided in paragraph (2) of this section, to hold, dispose of, or use any such money, securities, or property as belonging to the depositing [FCM] or any person other than the customers of such [FCM].

The Commission's segregation requirements are set forth in Regulations 1.20-1.30, 1.32 and 1.36, 17 CFR 1.20-1.30, 1.32 and 1.36. They provide, among other things, that a customer's funds: must be accounted for separately by the FCM; may not be commingled with the FCM's own funds or those of any other person; must be available immediately upon demand; and must be used only to margin or to secure contracts traded on or subject to the rules of a designated contract market. Neither Section 4d of the Act nor these regulations address the holding of customer funds offshore or in foreign currencies.

Interpretation No. 12 permits the deposit of U.S. customer funds offshore, subject to conditions intended to ensure consistency with the segregation requirements of the Act and "generally to prevent the dilution of customer funds held in segregation in the United States." Accordingly, Interpretation No. 12 limits the circumstances under which funds may be held offshore; requires specified qualifications for foreign depositories; requires a certain

<sup>1</sup> See Vision and Strategies for the Future: Facing the Challenges of 1997 through 2002, published by the Commission (September 1997).

<sup>2</sup> 7 U.S.C. 1 et seq.

<sup>3</sup> See Commodity Exchange Authority Administrative Determination No. 238 (September 4, 1974).

<sup>4</sup> 53 FR 46911 (November 21, 1988).