

Executive Order 13132 (Federalism)

The Department has reviewed this proposed rule in accordance with Executive Order 13132 regarding federalism, and has determined that it does not have "federalism implications." The rule will not "have substantial direct effects on the States, on the relationship between the national government and the States, or on the distribution of power and responsibilities among the various levels of government."

Executive Order 12988 (Civil Justice Reform)

This rule meets the applicable standards in sections 3(a) and 3(b)(2) of Executive Order 12988, Civil Justice Reform, to minimize litigation, eliminate ambiguity, and reduce burden.

List of Subjects in 20 CFR Part 701

Longshore and harbor workers, Organization and functions (government agencies), Workers' compensation.

Based on the authority and reasons set forth in the preamble, 20 CFR chapter VI is amended to read as follows:

CHAPTER VI—OFFICE OF WORKERS' COMPENSATION PROGRAMS, DEPARTMENT OF LABOR

1. Revise the chapter heading of 20 CFR chapter VI to read as shown above.

PART 701—GENERAL; ADMINISTERING AGENCY; DEFINITIONS AND USE OF TERMS

2. The authority citation for part 701 is revised to read as follows:

Authority: 5 U.S.C. 301 and 8171 et seq.; 33 U.S.C. 939; 36 D.C. Code 501 et seq.; 42 U.S.C. 1651 et seq.; 43 U.S.C. 1331; Reorganization Plan No. 6 of 1950, 15 FR 3174, 3 CFR, 1949–1953 Comp., p. 1004, 64 Stat. 1263; Secretary's Order 10–2009, 74 FR 58834 (Nov. 13, 2009).

3. Revise § 701.201 to read as follows:

§ 701.201 Office of Workers' Compensation Programs.

The Office of Workers' Compensation Programs is responsible for administering the LHWCA and its extensions.

Signed at Washington, DC, this 5th day of October 2010.

Seth D. Harris,

Deputy Secretary.

[FR Doc. 2010–25521 Filed 10–14–10; 8:45 am]

BILLING CODE 4510–23–P

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 1

[TD 9502]

RIN 1545–BF90

Exclusions From Gross Income of Foreign Corporations; Correction

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Correcting amendment.

SUMMARY: This document contains corrections to final regulations (TD 9502) that were published in the Federal Register on Friday, September 17, 2010 (75 FR 56858) under section 883(a) and (c) of the Internal Revenue Code, concerning the exclusion from gross income of income derived by certain foreign corporations from the international operation of ships or aircraft.

DATES: This correction is effective on October 15, 2010, and is applicable on September 17, 2010.

FOR FURTHER INFORMATION CONTACT: Patricia A. Bray, (202) 622–3880 (not a toll-free number).

SUPPLEMENTARY INFORMATION:

Background

The final regulations (TD 9502) that are the subject of this document are under section 883 of the Internal Revenue Code.

Need for Correction

As published, the final regulations (TD 9502) contain errors that may prove to be misleading and are in need of clarification.

List of Subjects in 26 CFR Part 1

Income taxes, Reporting and recordkeeping requirements.

Correction of Publication

Accordingly, 26 CFR part 1 is corrected by making the following correcting amendments:

PART 1—INCOME TAXES

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

Authority: 26 U.S.C. 7805 * * *

Par. 2. Section 1.883–2 is amended by revising paragraph (f)(4)(ii)(C) to read as follows:

§ 1.883–2 Treatment of publicly-traded corporations.

* * * * *

(f) * * *
(4) * * *
(ii) * * *

(C) The number of days during the taxable year of the foreign corporation that such qualified shareholders owned, directly or indirectly, their shares in the closely held block of stock.

* * * * *

Par. 3. Section 1.883–5 is amended by revising the heading of paragraph (d) to read as follows:

§ 1.883–5 Effective/applicability dates.

* * * * *

(d) Effective/applicability dates.

* * *

LaNita Van Dyke,

Chief, Publications and Regulations Branch, Legal Processing Division, Associate Chief Counsel (Procedure and Administration).

[FR Doc. 2010–25950 Filed 10–14–10; 8:45 am]

BILLING CODE 4830–01–P

PENSION BENEFIT GUARANTY CORPORATION

29 CFR Part 4022

Benefits Payable in Terminated Single-Employer Plans; Interest Assumptions for Paying Benefits

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Final rule.

SUMMARY: This final rule amends Pension Benefit Guaranty Corporation's regulation on Benefits Payable in Terminated Single-Employer Plans to prescribe interest assumptions under the regulation for valuation dates in November 2010. Interest assumptions are also published on PBGC's Web site (http://www.pbgc.gov).

DATES: Effective November 1, 2010.

FOR FURTHER INFORMATION CONTACT: Catherine B. Klion, Manager, Regulatory and Policy Division, Legislative and Regulatory Department, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005, 202–326–4024. (TTY/TDD users may call the Federal relay service toll-free at 1–800–877–8339 and ask to be connected to 202–326–4024.)

SUPPLEMENTARY INFORMATION: PBGC's regulation on Benefits Payable in Terminated Single-Employer Plans (29 CFR part 4022) prescribes actuarial assumptions—including interest assumptions—for paying plan benefits under terminating single-employer plans covered by title IV of the Employee Retirement Income Security Act of 1974.

PBGC uses the interest assumptions in Appendix B to part 4022 to determine whether a benefit is payable as a lump sum and to determine the amount to pay. Appendix C to part 4022 contains interest assumptions for private-sector pension practitioners to refer to if they wish to use lump-sum interest rates determined using PBGC's historical methodology. Currently, the rates in Appendices B and C of the benefit payment regulation are the same.

The interest assumptions are intended to reflect current conditions in the financial and annuity markets. Assumptions under the benefit payments regulation are updated monthly. This final rule updates the benefit payments interest assumptions for November 2010.¹

The November 2010 interest assumptions under the benefit payments regulation will be 1.75 percent for the period during which a benefit is in pay status and 4.00 percent during any years preceding the benefit's placement in pay

status. In comparison with the interest assumptions in effect for October 2010, these interest assumptions are unchanged.

PBGC has determined that notice and public comment on this amendment are impracticable and contrary to the public interest. This finding is based on the need to determine and issue new interest assumptions promptly so that the assumptions can reflect current market conditions as accurately as possible.

Because of the need to provide immediate guidance for the payment of benefits under plans with valuation dates during November 2010, PBGC finds that good cause exists for making the assumptions set forth in this amendment effective less than 30 days after publication.

PBGC has determined that this action is not a "significant regulatory action" under the criteria set forth in Executive Order 12866.

Because no general notice of proposed rulemaking is required for this

amendment, the Regulatory Flexibility Act of 1980 does not apply. See 5 U.S.C. 601(2).

List of Subjects in 29 CFR Part 4022

Employee benefit plans, Pension insurance, Pensions, Reporting and recordkeeping requirements.

■ In consideration of the foregoing, 29 CFR part 4022 is amended as follows:

PART 4022—BENEFITS PAYABLE IN TERMINATED SINGLE-EMPLOYER PLANS

■ 1. The authority citation for part 4022 continues to read as follows:

Authority: 29 U.S.C. 1302, 1322, 1322b, 1341(c)(3)(D), and 1344.

■ 2. In appendix B to part 4022, Rate Set 205, as set forth below, is added to the table.

Appendix B to Part 4022—Lump Sum Interest Rates For PBGC Payments

* * * * *

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		i^1	i^2	i^3	n^1	n^2
*	*	*	*	*	*	*	*	*
205	11-1-10	12-1-10	1.75	4.00	4.00	4.00	7	8

■ 3. In appendix C to part 4022, Rate Set 205, as set forth below, is added to the table.

Appendix C to Part 4022—Lump Sum Interest Rates For Private-Sector Payments

* * * * *

Rate set	For plans with a valuation date		Immediate annuity rate (percent)	Deferred annuities (percent)				
	On or after	Before		i^1	i^2	i^3	n^1	n^2
*	*	*	*	*	*	*	*	*
205	11-1-10	12-1-10	1.75	4.00	4.00	4.00	7	8

¹ Appendix B to PBGC's regulation on Allocation of Assets in Single-Employer Plans (29 CFR part 4044) prescribes interest assumptions for valuing

benefits under terminating covered single-employer plans for purposes of allocation of assets under

ERISA section 4044. Those assumptions are updated quarterly.

Issued in Washington, DC, on this 12th day of October 2010.

Vincent K. Snowbarger,

Deputy Director for Operations, Pension Benefit Guaranty Corporation.

[FR Doc. 2010-26081 Filed 10-14-10; 8:45 am]

BILLING CODE 7709-01-P

DEPARTMENT OF THE TREASURY

31 CFR Part 103

RIN 1506-AA93

Financial Crimes Enforcement Network; Amendment to the Bank Secrecy Act Regulations; Defining Mutual Funds as Financial Institutions; Extension of Compliance Date

AGENCY: Financial Crimes Enforcement Network (“FinCEN”), Treasury.

ACTION: Final rule; extension of compliance date.

SUMMARY: FinCEN is issuing this final rule extending the compliance date for those provisions in 31 CFR 103.33 that apply to mutual funds. On April 14, 2010, FinCEN issued a final rule that included mutual funds within the general definition of “financial institution” in regulations implementing the Bank Secrecy Act (“BSA”). The final rule subjects mutual funds to 31 CFR 103.33, which requires the creation, retention, and transmittal of records or information for transmittals of funds. FinCEN is extending, from January 10, 2011 to April 10, 2011, the date on which mutual funds must begin to comply with 31 CFR 103.33.

DATES: This final rule is effective on October 15, 2010. The compliance date for 31 CFR 103.33 is extended from January 10, 2011 to April 10, 2011.

FOR FURTHER INFORMATION CONTACT: The FinCEN regulatory helpline at (800) 949-2732.

SUPPLEMENTARY INFORMATION:

I. Background

On April 14, 2010, FinCEN published a final rule¹ to include mutual funds within the general definition of “financial institution” in regulations implementing the BSA (the “Final Rule”).² The Final Rule subjects mutual funds to rules under the BSA on the filing of Currency Transaction Reports (“CTRs”) and on the creation, retention,

and transmittal of records or information for transmittals of funds. Additionally, the Final Rule amends the definition of mutual fund in the rule requiring mutual funds to establish anti-money laundering (“AML”) programs. The amendment harmonizes the definition of mutual fund in the AML program rule with the definitions found in the other BSA rules to which mutual funds are subject. Finally, the Final Rule amends the rule that delegates authority to examine institutions for compliance with the BSA. The amendment makes it clear that FinCEN has not delegated to the Internal Revenue Service the authority to examine mutual funds for compliance with the BSA, but rather to the U.S. Securities and Exchange Commission as the Federal functional regulator of mutual funds.

Section 103.33—The Recordkeeping and Travel Rule and Related Recordkeeping Requirements

The Final Rule subjects mutual funds to requirements relating to the creation and retention of records for transmittals of funds, and the requirement to transmit information on these transactions to other financial institutions in the payment chain (“Recordkeeping and Travel Rule”).³ The Recordkeeping and Travel Rule applies to transmittals of funds in amounts that equal or exceed \$3,000,⁴ and requires the transmitter’s financial institution to obtain and retain name, address, and other information on the transmitter and the transaction.⁵ Furthermore, the Recordkeeping and Travel Rule requires the recipient’s financial institution—and in certain instances, the transmitter’s financial institution—to obtain or retain identifying information on the recipient.⁶ The Recordkeeping and Travel Rule requires that certain information obtained or retained by the transmitter’s financial institution

“travel” with the transmittal order through the payment chain.⁷

Mutual funds are subject to record retention requirements under the Investment Company Act of 1940, and mutual fund transfer agents are subject to recordkeeping requirements under the Securities Exchange Act of 1934.⁸ In light of these existing regulatory obligations, FinCEN stated in the notice of proposed rulemaking that the requirements of 31 CFR 103.33 and 31 CFR 103.38 would have a *de minimus* impact on mutual funds and their transfer agents.⁹ Furthermore, rules under the BSA on the establishment of customer identification programs by mutual funds and on the reporting by mutual funds of suspicious transactions impose requirements to create and retain records.¹⁰

FinCEN also requested comment on the anticipated impact of subjecting mutual funds to the requirements of the Recordkeeping and Travel Rule. All three commenters noted that subjecting mutual funds to the requirements of the Recordkeeping and Travel Rule will require mutual funds to implement changes to their transaction processing and recordkeeping systems. All commenters requested additional time to comply with the Recordkeeping and Travel Rule. Commenters stated that such an extension would provide mutual funds with an opportunity to implement changes to their transaction reporting and recordkeeping systems. Generally, commenters suggested an extension of between 18 to 24 months. FinCEN determined that extending the compliance date with respect to the requirements of the Recordkeeping and Travel Rule to 270 days after the rule

⁷ See 31 CFR 103.33(g) (information that must “travel” with the transmittal order); 31 CFR 103.11(kk) (defining “transmittal order”). Additionally, the Final Rule includes mutual funds within an existing exception designed to exclude from the Recordkeeping and Travel Rule’s coverage funds transfers or transmittal of funds in which certain categories of financial institution are the transmitter, originator, recipient, or beneficiary. See 31 CFR 103.33(e)(6)(i) and 31 CFR 103.33(f)(6)(i). Further, the Final Rule subjects mutual funds to requirements on the creation and retention of records for extensions of credit and cross-border transfers of currency, monetary instruments, checks, investment securities, and credit. See 31 CFR 103.33(a)–(c). Financial institutions must retain these records for a period of five years. 31 CFR 103.38(d).

⁸ See, e.g., 15 U.S.C. 80a–30 (mutual funds); 15 U.S.C. 78q(a)(3) (transfer agents).

⁹ Amendment to Bank Secrecy Act Regulations; Defining Mutual Funds as Financial Institutions, 74 FR 26996, 26998 (June 5, 2009).

¹⁰ See 31 CFR 103.131 (mutual funds must obtain and record identifying information for persons opening new accounts, and verify the identity of persons opening new accounts); 31 CFR 103.15(c) (mutual funds must maintain records of documentation that supports the filing of a SAR).

¹ Amendments to the Bank Secrecy Act Regulations; Defining Mutual Funds as Financial Institutions, 75 FR 19241 (April 14, 2010).

² See 31 CFR 103.11(n)(10) (general definition of “financial institution”). The BSA is codified in part at 31 U.S.C. 5311 *et seq.* Rules implementing the BSA are codified at 31 CFR part 103.

³ See 31 CFR 103.33(f) and (g). Financial institutions must retain records for a period of five years. 31 CFR 103.38(d).

⁴ Rules under the BSA define a “transmittal of funds” and the persons or institutions involved in a “transmittal of funds.” See 31 CFR 103.11(d), (e), (q), (r), (s), (v), (w), (cc), (dd), (jj), (kk), (ll), and (mm). A “transmittal of funds” includes funds transfers processed by banks, as well as similar payments where one or more of the financial institutions processing the payment is not a bank. If the mutual fund is processing a payment sent by or to its customer, then the mutual fund would be either the “transmitter’s financial institution” or the “recipient’s financial institution.”

⁵ See 31 CFR 103.33(f)(1)(i) and (f)(2).

⁶ See 31 CFR 103.33(f)(3) (information that the recipient’s financial institution must obtain or retain).