

Appendix 1 to AD 2010-21-18 (Continued)

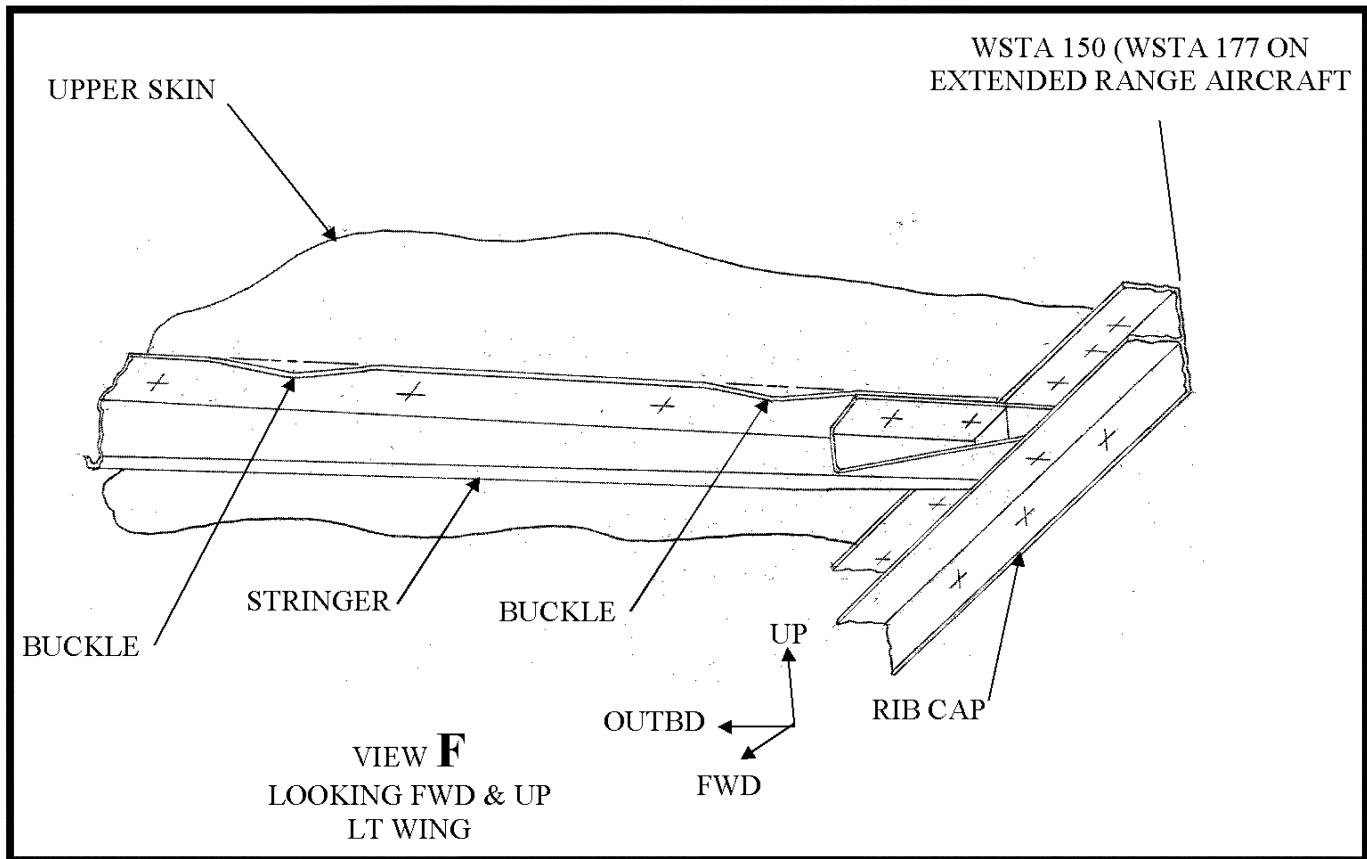


Figure 7

BILLING CODE 4910-13-C

**Appendix 2 to AD 2010-21-18—
Airworthiness Limitations for the Aviation
Enterprises Aircraft Manual Supplement**

- (1) Limit the airplane MTOW to 4,700 LBS.
 (2) For airplane weights above 3,300 LBS, at least 12 gallons of fuel must be maintained in each wing tip.

**Appendix 3 to AD 2010-21-18—
Airworthiness Limitations for the Aviation
Enterprises Aircraft Manual Supplement**

- (1) Limit the MTOW to 4,000 LBS.
 (2) Limit the max maneuver to 2.5 G.
 (3) Limit V_a to 100 KCAS.
 (4) V_{no} to 105 KCAS.
 (5) Limit V_{ne} to 135 KCAS.
 (6) Limit operation to VFR only.

Issued in Kansas City, Missouri, on October 4, 2010.

Christina L. Marsh,

*Acting Manager, Small Airplane Directorate,
Aircraft Certification Service.*

[FR Doc. 2010-25434 Filed 10-18-10; 8:45 am]

BILLING CODE 4910-13-P

**SECURITIES AND EXCHANGE
COMMISSION**

17 CFR Parts 249 and 274

[Release Nos. 34-63087; IC-29461]

**Technical Amendments to Forms N-
CSR and N-SAR in Connection With
the Comprehensive Iran Sanctions,
Accountability, and Divestment Act of
2010**

AGENCY: Securities and Exchange Commission.

ACTION: Final rule; technical amendments.

SUMMARY: The Securities and Exchange Commission is adopting technical amendments to Forms N-CSR and N-SAR under the Securities Exchange Act of 1934 and the Investment Company Act of 1940 in connection with amendments to Section 13(c) of the Investment Company Act that were included in the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010.

DATES: *Effective Date:* October 19, 2010.

FOR FURTHER INFORMATION CONTACT: Kieran G. Brown, Senior Counsel, Office of Disclosure Regulation, Division of Investment Management, at (202) 551-6784, Securities and Exchange Commission, 100 F Street, NE., Washington, DC 20549-5720.

SUPPLEMENTARY INFORMATION: The Securities and Exchange Commission ("Commission") is adopting technical amendments to Form N-CSR¹ and Form N-SAR² under the Securities Exchange Act of 1934 ("Exchange Act")³ and the Investment Company Act of 1940 ("Investment Company Act").⁴

I. Discussion

On July 1, 2010, the President signed the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 ("Iran Divestment Act") into law.⁵ Among other things, the Iran

¹ 17 CFR 249.331 and 274.128.

² 17 CFR 249.330 and 274.101.

³ 15 U.S.C. 78a *et seq.*

⁴ 15 U.S.C. 80a-1 *et seq.*

⁵ Pub. L. 111-195, 124 Stat. 1312 (2010).

Divestment Act amended Section 13(c) of the Investment Company Act⁶ to provide that no person may bring any civil, criminal, or administrative action against any registered investment company, or any employee, officer, director, or investment adviser of the investment company, based solely upon the investment company divesting from, or avoiding investing in, securities issued by persons that the investment company determines, using credible information that is available to the public, engage in certain investment activities in Iran.⁷ Section 13(c)(2)(B) of the Investment Company Act provides that this limitation on actions does not apply to a registered investment company, or any of its employees, officers, directors, or investment advisers, unless the investment company makes disclosures about the divestments in accordance with regulations prescribed by the Commission.⁸ To that end, the Iran Divestment Act requires that we issue, not later than 120 days after enactment, any revisions we determine to be necessary to the regulations requiring disclosure by each registered investment company that divests itself of securities in accordance with Section 13(c) of the Investment Company Act to include divestments of securities in accordance with the amendments added by the Iran Divestment Act.⁹

Under our current regulations, each registered investment company that divests itself of securities in accordance with Section 13(c) of the Investment Company Act is required to disclose the divestment on the next Form N-CSR or Form N-SAR that it files following the divestment. Management investment companies are required to provide the disclosure on Form N-CSR, pursuant to Item 6(b) of the form, and unit investment trusts are required to provide the disclosure on Form N-SAR, pursuant to Item 133 of the form.¹⁰

⁶ 15 U.S.C. 80a-13(c).

⁷ Section 203(a) of the Iran Divestment Act [to be codified at 15 U.S.C. 80a-13(c)(1)(B)].

⁸ 15 U.S.C. 80a-13(c)(2)(B).

⁹ Section 203(b) of the Iran Divestment Act.

¹⁰ Item 6(b) of Form N-CSR; Item 133 of Form N-SAR. The regulations require disclosure of information that will identify the securities divested and the magnitude of the divestment, including the issuer's name; exchange ticker symbol; Committee on Uniform Securities Identification Procedures ("CUSIP") number; total number of shares or, for debt securities, principal amount divested; and dates that the securities were divested. Item 6(b)(1)-(5) of Form N-CSR; Items 133.A-E of Form N-SAR. In addition, if the registered investment company continues to hold any securities of the divested issuer, it is required to disclose the exchange ticker symbol; CUSIP number; and total number of shares or, for debt securities, principal amount of such securities, held

These form items were originally adopted to implement the Sudan Accountability and Divestment Act of 2007 ("Sudan Divestment Act"), which limits civil, criminal, and administrative actions that may be brought against a registered investment company that divests from securities of issuers that conduct or have direct investments in certain business operations in Sudan, provided that the investment company makes disclosures in accordance with regulations prescribed by the Commission.¹¹ As a result, each item contains a termination provision that is based on the termination of the relevant provisions of the Sudan Divestment Act. Moreover, the instructions to the items contain references to the Sudan Divestment Act. Specifically, Instruction 1 to Item 6(b) of Form N-CSR and the Instruction to Item 133 of Form N-SAR each include a statement that Section 13(c) of the Investment Company Act was added by the Sudan Divestment Act. In addition, the heading to the Instruction to Item 133 of Form N-SAR includes a reference to the Sudan Divestment Act.

The requirements of Item 6(b) of Form N-CSR and Item 133 of Form N-SAR apply to divestment of securities in accordance with Section 13(c) of the Investment Company Act. Therefore, we have determined that the items are broad enough to apply to disclosure of divestment of securities in accordance with the amendments to Section 13(c) added by the Iran Divestment Act without substantive revision. However, we have determined that it is appropriate to make technical revisions that remove the references to the Sudan Divestment Act from the forms and require disclosure of a Section 13(c) divestment to specify whether it is undertaken pursuant to the Sudan Divestment Act or the Iran Divestment Act.

Specifically, in accordance with the Iran Divestment Act, we are amending our forms to delete the references to the Sudan Divestment Act from Instruction 1 to Item 6(b) of Form N-CSR, the Instruction to Item 133 of Form N-SAR, and the heading to the Instruction to

on the date of filing. Item 6(b)(6) of Form N-CSR; Item 133.F of Form N-SAR. While a registered investment company is not required to include disclosure under the relevant item, the limitation on actions provided in Section 13(c) does not apply with respect to a divestment that is not disclosed. Instruction 1 to Item 6(b) of Form N-CSR; Instruction to Item 133 of Form N-SAR.

¹¹ Sudan Accountability and Divestment Act of 2007, Pub. L. 110-174, 121 Stat. 2516 (2007); Investment Company Act Release No. 28254 (Apr. 24, 2008) [73 FR 23328, 23328 (Apr. 30, 2008)] (adoption of Item 6(b) of Form N-CSR and Item 133 of Form N-SAR).

Item 133 of Form N-SAR. We are also amending the termination provisions in Item 6(b) of Form N-CSR and Item 133 of Form N-SAR to eliminate the references to termination of the Sudan Divestment Act and to provide, more generically, that the disclosure requirements terminate one year after the first date on which all statutory provisions that underlie Section 13(c) of the Investment Company Act (*i.e.*, the provisions of both the Sudan Divestment Act and the Iran Divestment Act) have terminated. Finally, we are amending Item 6(b) of Form N-CSR and Item 133 of Form N-SAR to require that any registrant that divests itself of securities in accordance with Section 13(c) of the Investment Company Act must disclose the name of the statute that added the provision of Section 13(c) in accordance with which the securities were divested (*i.e.*, the "Sudan Accountability and Divestment Act" or the "Comprehensive Iran Sanctions, Accountability, and Divestment Act").¹² We are adding this requirement so that it will be clear from the disclosure which provision of Section 13(c) is being relied upon in connection with the divestment.

II. Procedural and Other Matters

Under the Administrative Procedure Act ("APA"), notice and public comment procedures are not required when an agency, for good cause, finds "that notice and public procedure thereon are impracticable, unnecessary, or contrary to the public interest."¹³ As discussed in this document, because no substantive revisions to our forms requiring Section 13(c) divestment disclosure are necessary to conform them to Section 203(b) of the Iran Divestment Act, the Commission believes that good cause exists to dispense with a public notice and comment period for these amendments. We have determined that only technical revisions to our forms are appropriate to make the existing forms consistent with the Iran Divestment Act. The technical amendments to Forms N-CSR and N-SAR remove references to the Sudan Divestment Act from Item 6(b) of Form N-CSR and Item 133 of Form N-SAR. The technical amendments also require that any registrant that divests itself of securities in accordance with Section 13(c) of the Investment Company Act must disclose the name of the statute under which the securities were divested. Because these revisions merely revise Item 6(b) of Form N-CSR

¹² Item 6(b)(7) of Form N-CSR; Item 133.G. of Form N-SAR.

¹³ 5 U.S.C. 553(b)(B).

and Item 133 of Form N-SAR to make them consistent with a newly enacted statute, Section 203 of the Iran Divestment Act, the Commission finds that the amendments are technical in nature and that publishing the amendments for comment is unnecessary.¹⁴

Publication of a substantive rule not less than 30 days before its effective date is required by the APA except as otherwise provided by the agency for good cause.¹⁵ For the same reasons described above with respect to notice and opportunity for comment, the Commission finds that there is good cause for making the technical amendments to each of the forms effective on the date of publication in the **Federal Register**.

The form amendments contain "collection of information" requirements within the meaning of the Paperwork Reduction Act of 1995 ("PRA").¹⁶ The titles for the collections of information are "Form N-CSR under the Investment Company Act of 1940 and Securities Exchange Act of 1934, Certified Shareholder Report," and "Form N-SAR under the Investment Company Act of 1940, Semi-Annual Report for Registered Investment Companies." Form N-CSR (OMB Control No. 3235-0570) under the Exchange Act and the Investment Company Act is used by registered management investment companies filing certified shareholder reports. Form N-SAR (OMB Control No. 3235-0330) under the Exchange Act and the Investment Company Act is used by registered investment companies to file periodic reports with the Commission. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

We do not believe that the technical amendments necessitate an increase in the current PRA burden estimates for Form N-CSR and Form N-SAR. When the forms were originally amended to implement the Sudan Divestment Act, we estimated that approximately 15% of all registered investment companies had

an objective of investing internationally.¹⁷ We also conservatively assumed that every investment company portfolio that had an international investment strategy would disclose a divestment in accordance with the Sudan Divestment Act on each semi-annual filing, for a total of approximately 1,000 such filings per year.¹⁸ Since then, however, it appears that there have been less than ten total filings by investment companies disclosing a divestment in accordance with the Sudan Divestment Act.¹⁹ Based on this experience, we do not believe that it is appropriate to adjust our existing estimate upwards to reflect additional filings for divestments in accordance with the Iran Divestment Act.

We also do not believe that the technical amendments necessitate a decrease in the current PRA burden estimates for Form N-CSR and Form N-SAR. Because we do not know the extent to which divestments in accordance with the Iran Divestment Act will occur, we believe that it is appropriate to maintain a conservative assumption that each Form N-CSR and N-SAR filing by an international portfolio will have a disclosure either with respect to the Sudan Divestment Act or the Iran Divestment Act. In addition, any decrease in the estimates would be insignificant relative to the total current PRA burden estimates for Form N-CSR and Form N-SAR because the estimated current PRA burden for the Section 13(c) disclosure is itself insignificant relative to the total burden estimates for these forms, *i.e.*, 510 hours (out of a total burden of 138,662.5 hours, or 0.37%)²⁰ for Form N-CSR and 10 hours (out of a total burden of 107,213 hours, or 0.01%)²¹ for Form N-SAR.

Section 23(a)(2) of the Exchange Act²² requires us, when adopting rules under the Exchange Act, to consider the impact that any new rule would have on competition. Section 23(a)(2) also prohibits us from adopting any rule that would impose a burden on competition not necessary or appropriate in furtherance of the purposes of the Exchange Act. In addition, Section 3(f)

of the Exchange Act²³ requires the Commission, when engaging in rulemaking that requires it to consider or determine whether an action is necessary or appropriate in the public interest, to consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation. Section 2(c) of the Investment Company Act²⁴ requires the Commission, when engaging in rulemaking that requires it to consider or determine whether an action is consistent with the public interest, to consider, in addition to the protection of investors, whether the action will promote efficiency, competition, and capital formation. Because the amendments are technical in nature, we do not anticipate that any competitive advantages or disadvantages would be created. We do not expect that the amendments, as technical amendments, will have an effect on efficiency, competition, or capital formation. Moreover, the Commission is taking this action to make Forms N-CSR and N-SAR consistent with the Iran Divestment Act. Thus, any costs and benefits and other economic effects resulting from these amendments are mandated under the Act.

III. Statutory Authority

The Commission is adopting amendments to Form N-SAR and Form N-CSR pursuant to authority set forth in Section 203(b) of the Comprehensive Iran Sanctions, Accountability, and Divestment Act of 2010 and Sections 10(b), 13, 15(d), 23(a), and 36 of the Exchange Act [15 U.S.C. 78j(b), 78m, 78o(d), 78w(a), and 78mm], and Sections 8, 13(c), 24(a), 30, and 38 of the Investment Company Act [15 U.S.C. 80a-8, 80a-13(c), 80a-24(a), 80a-29, and 80a-37].

List of Subjects

17 *CFR Part 249*

Reporting and recordkeeping requirements, Securities.

17 *CFR Part 274*

Investment companies, Reporting and recordkeeping requirements, Securities.

Text of Form Amendments

■ For the reasons set out in the preamble, the Commission amends Title 17, Chapter II, of the Code of Federal Regulations as follows.

¹⁴ This finding also satisfies the requirements of 5 U.S.C. 808(2) (if a federal agency finds that notice and public comment are "impractical, unnecessary or contrary to the public interest," a rule "shall take effect at such time as the federal agency promulgating the rule determines"), allowing the amendments to become effective notwithstanding the requirement of 5 U.S.C. 801.

The amendments do not require analysis under the Regulatory Flexibility Act. See 5 U.S.C. 601(2) (for purposes of Regulatory Flexibility Act analysis, the term "rule" means any rule for which the agency publishes a general notice of proposed rulemaking).

¹⁵ 5 U.S.C. 553(d).

¹⁶ 44 U.S.C. 3501 *et seq.*

¹⁷ Investment Company Act Release No. 28254, *supra* note 11, at 23330.

¹⁸ See *id.* (6,743 annual and semi-annual filings on Form N-CSR × 15% of filings on Form N-CSR) + (90 filings on Form N-SAR × 15% of filings on Form N-SAR) = 1,025 filings.

¹⁹ Based on the Commission staff's review of filings made with the Commission.

²⁰ Investment Company Act Release No. 28254, *supra* note 11, at 23330.

²¹ *Id.*

²² 15 U.S.C. 78w(a)(2).

²³ 15 U.S.C. 78c(f).

²⁴ 15 U.S.C. 80a-2(c).

PART 249—FORMS, SECURITIES EXCHANGE ACT OF 1934

■ 1. The authority citation for part 249 continues to read in part as follows:

Authority: 15 U.S.C. 78a *et seq.* and 7201 *et seq.*; and 18 U.S.C. 1350, unless otherwise noted.

* * * * *

PART 274—FORMS PRESCRIBED UNDER THE INVESTMENT COMPANY ACT OF 1940

■ 2. The authority citation for part 274 continues to read in part as follows:

Authority: 15 U.S.C. 77f, 77g, 77h, 77j, 77s, 78c(b), 78l, 78m, 78n, 78o(d), 80a–8, 80a–24, 80a–26, and 80a–29, unless otherwise noted.

* * * * *

■ 3. Form N–SAR (referenced in §§ 249.330 and 274.101) is amended by:

■ a. In paragraph E. of Item 133, deleting the word “and”;

■ b. In paragraph F. of Item 133, revising “filing.” to read “filing; and”;

■ c. Adding new paragraph G. to Item 133;

■ d. Revising the sentence immediately following new paragraph G. to Item 133;

■ e. In the heading to the Instruction to Item 133, deleting the phrase “in Accordance with the Sudan Accountability and Divestment Act of 2007”; and

■ f. In the first sentence of the Instruction to Item 133, deleting the phrase “, which was added by the Sudan Accountability and Divestment Act of 2007”. The addition and revision read as follows:

Note: The text of Form N–SAR does not, and these amendments will not, appear in the Code of Federal Regulations.

Form N–SAR

* * * * *

133. * * *

G. Name of the statute that added the provision of Section 13(c) in accordance with which the securities were divested.

This item 133 shall terminate one year after the first date on which all statutory provisions that underlie Section 13(c) of the Investment Company Act of 1940 have terminated.

* * * * *

■ 4. Form N–CSR (referenced in §§ 249.331 and 274.128) is amended by:

■ a. In paragraph (b)(5) of Item 6, deleting the word “and”;

■ b. In paragraph (b)(6) of Item 6, revising “filing.” to read “filing; and”;

■ c. Adding new paragraph (7) to Item 6(b);

■ d. Revising the sentence immediately following new paragraph (7) to Item 6(b); and

■ e. In Instruction 1 to paragraph (b) of Item 6, deleting the phrase “, which was added by the Sudan Accountability and Divestment Act of 2007”.

The addition and revision read as follows:

Note: The text of Form N–CSR does not, and these amendments will not, appear in the Code of Federal Regulations.

Form N–CSR

* * * * *

Item 6. Investments.

(a) * * *

(b) * * *

(7) Name of the statute that added the provision of Section 13(c) in accordance with which the securities were divested.

This Item 6(b) shall terminate one year after the first date on which all statutory provisions that underlie Section 13(c) of the Investment Company Act of 1940 have terminated.

* * * * *

By the Commission.

October 13, 2010.

Elizabeth M. Murphy,
Secretary.

[FR Doc. 2010–26206 Filed 10–18–10; 8:45 am]

BILLING CODE 8011–01–P

DEPARTMENT OF THE TREASURY**Internal Revenue Service****26 CFR Part 1**

[TD 9505]

RIN 1545–BG36

Hybrid Retirement Plans

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final Regulations.

SUMMARY: This document contains final regulations providing guidance relating to certain provisions of the Internal Revenue Code (Code) that apply to hybrid defined benefit pension plans. These regulations provide guidance on changes made by the Pension Protection Act of 2006, as amended by the Worker, Retiree, and Employer Recovery Act of 2008. These regulations affect sponsors, administrators, participants, and beneficiaries of hybrid defined benefit pension plans.

DATES: *Effective Date:* These regulations are effective on October 19, 2010.

Applicability Date: These regulations generally apply to plan years that begin on or after January 1, 2011. However, see the “Effective/Applicability Dates” section in this preamble for additional

information regarding the applicability of these regulations.

FOR FURTHER INFORMATION CONTACT: Neil S. Sandhu, Lauson C. Green, or Linda S. F. Marshall at (202) 622–6090 (not a toll-free number).

SUPPLEMENTARY INFORMATION:**Background**

This document contains amendments to the Income Tax Regulations (26 CFR part 1) under sections 411(a)(13) and 411(b)(5) of the Code. Generally, a defined benefit pension plan must satisfy the minimum vesting standards of section 411(a) and the accrual requirements of section 411(b) in order to be qualified under section 401(a) of the Code. Sections 411(a)(13) and 411(b)(5), which modify the minimum vesting standards of section 411(a) and the accrual requirements of section 411(b), were added to the Code by section 701(b) of the Pension Protection Act of 2006, Public Law 109–280 (120 Stat. 780 (2006)) (PPA ‘06). Sections 411(a)(13) and 411(b)(5), as well as certain effective date provisions related to these sections, were subsequently amended by the Worker, Retiree, and Employer Recovery Act of 2008, Public Law 110–458 (122 Stat. 5092 (2008)) (WREERA ‘08).

Section 411(a)(13)(A) provides that an applicable defined benefit plan (which is defined in section 411(a)(13)(C)) is not treated as failing to meet either (i) the requirements of section 411(a)(2) (subject to a special vesting rule in section 411(a)(13)(B) with respect to benefits derived from employer contributions) or (ii) the requirements of section 411(a)(11), 411(c), or 417(e), with respect to accrued benefits derived from employer contributions, merely because the present value of the accrued benefit (or any portion thereof) of any participant is, under the terms of the plan, equal to the amount expressed as the balance of a hypothetical account or as an accumulated percentage of the participant’s final average compensation. Section 411(a)(13)(B) requires an applicable defined benefit plan to provide that an employee who has completed at least 3 years of service has a nonforfeitable right to 100 percent of the employee’s accrued benefit derived from employer contributions.

Under section 411(a)(13)(C)(i), an applicable defined benefit plan is defined as a defined benefit plan under which the accrued benefit (or any portion thereof) of a participant is calculated as the balance of a hypothetical account maintained for the participant or as an accumulated percentage of the participant’s final