

Items: * * *

Note: 9B105 does not control wind tunnels for speeds of Mach 3 or less with the dimension of the 'test cross section size' equal to or less than 250 mm.

Technical Notes:

1. 'Aerodynamic test facilities' includes wind tunnels and shock tunnels for the study of airflow over objects.
2. 'Test cross section size' means the diameter of the circle, or the side of the square, or the longest side of the rectangle, or the major axis of the ellipse at the largest 'test cross section' location. 'Test cross section' is the section perpendicular to the flow direction.

■ 12. In Supplement No. 1 to part 774 (the Commerce Control List), Category 9—Aerospace and Propulsion, Export Control Classification Number (ECCN) 9D004 is amended:

- a. By removing the "MT" paragraph in the License Requirements section; and
- b. By revising the "related controls" paragraph in the List of Items Controlled section to read as follows:

9D004 Other "software" as follows (see List of Items Controlled).

* * * * *

List of Items Controlled

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Related Controls: See also 9D104.

* * * * *

■ 13. In Supplement No. 1 to part 774 (the Commerce Control List), Category 9—Aerospace and Propulsion, Export Control Classification Number (ECCN) 9E101 is amended:

- a. By revising the heading; and
- b. By revising the "related controls" paragraph in the List of Items Controlled section to read as follows:

9E101 "Technology" according to the General Technology Note for the "development," "production," or "use" of commodities or software controlled by 9A012 (for MT controlled commodities only), 9A101, 9A103 to 9A111, 9A115 to 9A119, 9C110, 9D101, 9D103, 9D104 or 9D105.

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List of Items Controlled

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Related Controls: "Technology" controlled by 9E101 for items in 9A101.b, 9A103 to 9A111, 9A115 to 9A119, 9D103, and 9D105 is "subject to the ITAR" (see 22 CFR parts 120 through 130).

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Kevin J. Wolf,

Assistant Secretary for Export Administration.

[FR Doc. 2013-16954 Filed 7-15-13; 8:45 am]

BILLING CODE 3510-33-P

COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 43

RIN 3038-AD08

Procedures To Establish Appropriate Minimum Block Sizes for Large Notional Off-Facility Swaps and Block Trades; Correction

AGENCY: Commodity Futures Trading Commission.

ACTION: Final rule; correction.

SUMMARY: The Commodity Futures Trading Commission is correcting a final rule that appeared in the **Federal**

Register of May 31, 2013 (78 FR 32866). The final rule adopted regulations, under the Dodd-Frank Wall Street Reform and Consumer Protection Act, defining the criteria for grouping swaps into separate swap categories and establishing methodologies for setting appropriate minimum block sizes for each swap category. These corrections fix errors in certain contract descriptions, block sizes, and block units listed in Appendix F to the final rule.

DATES: *Effective date:* July 30, 2013.

FOR FURTHER INFORMATION CONTACT: John W. Dunfee, Assistant General Counsel, Office of the General Counsel, Commodity Futures Trading Commission, Three Lafayette Center, 1155 21st Street, NW., Washington, DC 20581; 202-418-5396; jdunfee@cftc.gov.

SUPPLEMENTARY INFORMATION: In FR Doc. 2013-12133 appearing on page 32866 in the **Federal Register** of Friday, May 31, 2013, the following correction is made:

Appendix F to Part 43—Initial Appropriate Minimum Block Sizes by Asset Class for Block Trades and Large Notional Off-Facility Swaps [Corrected]

1. On page 32942, in the third column, in Appendix F to Part 43—Initial Appropriate Minimum Block Sizes by Asset Class for Block Trades and Large Notional Off-Facility Swaps, correct Appendix F by removing all of the tables published on pages 32942 through 32944 and adding the following corrected tables in their place:

Currency group	Currencies
Super-Major Currencies	United States dollar (USD), European Union Euro Area euro (EUR), United Kingdom pound sterling (GBP), and Japan yen (JPY).
Major Currencies	Australia dollar (AUD), Switzerland franc (CHF), Canada dollar (CAD), Republic of South Africa rand (ZAR), Republic of Korea won (KRW), Kingdom of Sweden krona (SEK), New Zealand dollar (NZD), Kingdom of Norway krone (NOK), and Denmark krone (DKK).
Non-Major Currencies	All other currencies.

INTEREST RATE SWAPS

Currency group	Tenor greater than	Tenor less than or equal to	50% Notional (in millions)
Super-Major	46 days	46 days	6,400
Super-Major	Three months (107 days)	Three months (107 days)	2,100
Super-Major	Three months (107 days)	Six months (198 days)	1,200
Super-Major	Six months (198 days)	One year (381 days)	1,100
Super-Major	One year (381 days)	Two years (746 days)	460
Super-Major	Two years (746 days)	Five years (1,842 days)	240
Super-Major	Five years (1,842 days)	Ten years (3,668 days)	170
Super-Major	Ten years (3,668 days)	30 years (10,973 days)	120
Super-Major	30 years (10,973 days) .....	.....	67
Major .....	.....	46 days	2,200
Major	46 days	Three months (107 days)	580
Major	Three months (107 days)	Six months (198 days)	440
Major	Six months (198 days)	One year (381 days)	220

INTEREST RATE SWAPS—Continued

Currency group	Tenor greater than	Tenor less than or equal to	50% Notional (in millions)
Major	One year (381 days)	Two years (746 days)	130
Major	Two years (746 days)	Five years (1,842 days)	88
Major	Five years (1,842 days)	Ten years (3,668 days)	49
Major	Ten years (3,668 days)	30 years (10,973 days)	37
Major	30 years (10,973 days) .....	.....	15
Non-Major .....	.....	46 days	230
Non-Major	46 days	Three months (107 days)	230
Non-Major	Three months (107 days)	Six months (198 days)	150
Non-Major	Six months (198 days)	One year (381 days)	110
Non-Major	One year (381 days)	Two years (746 days)	54
Non-Major	Two years (746 days)	Five years (1,842 days)	27
Non-Major	Five years (1,842 days)	Ten years (3,668 days)	15
Non-Major	Ten years (3,668 days)	30 years (10,973 days)	16
Non-Major	30 years (10,973 days) .....	.....	15

CREDIT SWAPS

Spread group (basis points)	Traded tenor greater than	Traded tenor less than or equal to	50% Notional (in millions)
Less than or equal to 175 .....	.....	Two years (746 days)	320
Less than or equal to 175	Two years (746 days)	Four years (1,477 days)	200
Less than or equal to 175	Four years (1,477 days)	Six years (2,207 days)	110
Less than or equal to 175	Six years (2,207 days)	Eight years and six months (3,120 days).	110
Less than or equal to 175	Eight years and six months (3,120 days).	Twelve years and six months (4,581 days).	130
Less than or equal to 175	Twelve years and six months (4,581 days).	.....	46
Greater than 175 and less than or equal to 350.	.....	Two years (746 days)	140
Greater than 175 and less than or equal to 350.	Two years (746 days)	Four years (1,477 days)	82
Greater than 175 and less than or equal to 350.	Four years (1,477 days)	Six years (2,207 days)	32
Greater than 175 and less than or equal to 350.	Six years (2,207 days)	Eight years and six months (3,120 days).	20
Greater than 175 and less than or equal to 350.	Eight years and six months (3,120 days).	Twelve years and six months (4,581 days).	26
Greater than 175 and less than or equal to 350.	Twelve years and six months (4,581 days).	.....	63
Greater than 350 .....	.....	Two years (746 days)	66
Greater than 350	Two years (746 days)	Four years (1,477 days)	41
Greater than 350	Four years (1,477 days)	Six years (2,207 days)	26
Greater than 350	Six years (2,207 days)	Eight years and six months (3,120 days).	13
Greater than 350	Eight years and six months (3,120 days).	Twelve years and six months (4,581 days).	13
Greater than 350	Twelve years and six months (4,581 days).	.....	41

FOREIGN EXCHANGE SWAPS

		Super-major currencies			
		EUR (Euro)	GBP (British pound)	JPY (Japanese yen)	USD (U.S. dollar)
Super-major currencies	EUR .....	.....	6,250,000	6,250,000	18,750,000
	GBP	* 6,250,000	.....	6,250,000	6,250,000
	JPY	* 6,250,000	* 6,250,000	.....	1,875,000,000
	USD	* 18,750,000	* 6,250,000	* 1,875,000,000	.....
Major currencies	AUD	* 6,250,000	0	10,000,000	10,000,000
	CAD	* 6,250,000	0	10,000,000	10,000,000
	CHF	* 6,250,000	* 6,250,000	12,500,000	12,500,000
	DKK	0	0	0	0
	KRW	0	0	0	6,250,000,000
	SEK	* 6,250,000	0	0	100,000,000
	NOK	* 6,250,000	0	0	100,000,000
	NZD	0	0	0	5,000,000

FOREIGN EXCHANGE SWAPS—Continued

		Super-major currencies			
		EUR (Euro)	GBP (British pound)	JPY (Japanese yen)	USD (U.S. dollar)
Non-major currencies	ZAR	0	0	0	25,000,000
	BRL	0	0	0	5,000,000
	CZK	200,000,000	0	0	200,000,000
	HUF	1,500,000,000	0	0	1,500,000,000
	ILS	0	0	0	50,000,000
	MXN	0	0	0	50,000,000
	PLN	25,000,000	0	0	25,000,000
	RMB	50,000,000	0	50,000,000	50,000,000
	RUB	0	0	0	125,000,000
	TRY	* 6,250,000	0	0	* 10,000,000

All values that do not have an asterisk are denominated in the currency of the left hand side.
 All values that have an asterisk (*) are denominated in the currency indicated on the top of the table.

OTHER COMMODITY SWAPS

Related futures contract	Initial appropriate minimum block size	Units
AB NIT Basis (ICE)	62,500	MMBtu.
Brent Crude (ICE and NYMEX)	25,000	bbl.
Cheese (CME)	400,000	lbs.
Class III Milk (CME)	NO BLOCKS.	
Cocoa (ICE and NYSE LIFFE and NYMEX)	1,000	metric tons.
Coffee (ICE and NYMEX)	3,750,000	lbs.
Copper (COMEX)	625,000	lbs.
Corn (CBOT)	NO BLOCKS.	bushels.
Cotton No. 2 (ICE and NYMEX)	5,000,000	lbs.
Distillers' Dried Grain (CBOT)	1,000	short tons.
Dow Jones-UBS Commodity Index (CBOT)	30,000 times index	dollars.
Ethanol (CBOT)	290,000	gallons.
Feeder Cattle (CME)	NO BLOCKS.	
Frost Index (CME)	200,000 times index	euros.
Frozen Concentrated Orange Juice (ICE)	NO BLOCKS.	
Gold (COMEX and NYSE Liffe)	2,500	troy oz.
Goldman Sachs Commodity Index (GSCI), GSCI Excess Return Index (CME)	5,000 times index	dollars.
Gulf Coast Sour Crude Oil (NYMEX)	5,000	bbl.
Hard Red Spring Wheat (MGEX)	NO BLOCKS.	
Hard Winter Wheat (KCBT)	NO BLOCKS.	
Henry Hub Natural Gas (NYMEX)	500,000	MMBtu.
HSC Basis (ICE and NYMEX)	62,500	MMBtu.
Hurricane Index (CME)	20,000 times index	dollars.
Chicago Basis (ICE and NYMEX)	62,500	MMBtu.
Lean Hogs (CME)	NO BLOCKS.	
Light Sweet Crude Oil (NYMEX)	50,000	bbl.
Live Cattle (CME)	NO BLOCKS.	
Mid-Columbia Day-Ahead Off-Peak Fixed Price (ICE)	625	Mwh.
Mid-Columbia Day-Ahead Peak Fixed Price (ICE)	4,000	Mwh.
New York Harbor RBOB (Blendstock) Gasoline (NYMEX)	1,050,000	gallons.
New York Harbor No. 2 Heating Oil (NYMEX)	1,050,000	gallons.
NWP Rockies Basis (ICE and NYMEX)	62,500	MMBtu.
Oats (CBOT)	NO BLOCKS.	
Palladium (NYMEX)	1,000	troy oz.
PG&E Citygate Basis (ICE and NYMEX)	62,500	MMBtu.
PJM Western Hub Real Time Off-Peak Fixed Price (ICE)	3,900	Mwh.
PJM Western Hub Real Time Peak Fixed Price (ICE)	8,000	Mwh.
Platinum (NYMEX)	500	troy oz.
Rainfall Index (CME)	10,000 times index	dollars.
Rough Rice (CBOT)	NO BLOCKS.	
Silver (COMEX and NYSE Liffe)	125,000	troy oz.
Snowfall Index (CME)	10,000 times index	dollars.
Socal Border Basis (ICE and NYMEX)	62,500	MMBtu.
Soybean (CBOT)	NO BLOCKS.	
Soybean Meal (CBOT)	NO BLOCKS.	
Soybean Oil (CBOT)	NO BLOCKS.	
SP-15 Day-Ahead Peak Fixed Price (ICE)	4,000	Mwh.
SP-15 Day-Ahead Off-Peak Fixed Price (ICE)	625	Mwh.
Sugar #11 (ICE and NYMEX)	5,000	metric tons.
Sugar #16 (ICE)	NO BLOCKS.	
Temperature Index (CME)	400 times index	currency units.
U.S. Dollar Cash Settled Crude Palm Oil (CME)	250	metric tons.
Waha Basis (ICE and NYMEX)	62,500	MMBtu.
Wheat (CBOT)	NO BLOCKS.	

Dated: July 10, 2013.

Christopher J. Kirkpatrick,

Deputy Secretary of the Commission.

[FR Doc. 2013-16938 Filed 7-15-13; 8:45 am]

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SECURITIES AND EXCHANGE COMMISSION

17 CFR Part 240

[Release No. 34-69964; File No. S7-30-11]

RIN 3235-AL19

Retail Foreign Exchange Transactions

AGENCY: Securities and Exchange Commission.

ACTION: Final rule.

SUMMARY: The Commission is adopting a rule to permit a registered broker-dealer to engage in a retail forex business, provided that the broker-dealer complies with the Securities Exchange Act of 1934, the rules and regulations thereunder, and the rules of the self-regulatory organization(s) of which the broker-dealer is a member insofar as they are applicable to retail forex transactions. The Commission is adopting Rule 15b12-1 substantially in the form previously adopted as an interim final temporary rule and is providing that the rule will expire on July 31, 2016.

DATES: This rule is effective from July 16, 2013 through July 31, 2016.

FOR FURTHER INFORMATION CONTACT:

Catherine Moore, Senior Special Counsel; Shaheen Haji Zuver, Special Counsel; or Stephen J. Benham, Attorney-Adviser, at (202) 551-5550 or Division of Trading and Markets, Securities and Exchange Commission, 100 F Street NE., Washington, DC 20549-7010.

SUPPLEMENTARY INFORMATION: The Commission is adopting Rule 15b12-1 under the Exchange Act, to permit a registered broker or dealer (“broker-dealer”) to engage in retail forex transactions, as such transactions are defined below. Unless the Commission acts further, the rule will expire and no longer be effective on July 31, 2016.

I. Background

A. Retail Foreign Exchange

The foreign currency exchange (“forex”) market is a large and liquid market used by banks, insurance companies, large corporations, and other large financial institutions to trade in risks associated with fluctuations in foreign currency rates. In recent years, a secondary off-exchange market for forex

has developed for retail customers.¹ Many customers may view forex as a possible investment opportunity or portfolio risk management strategy. However, the Commission, its staff,² and other regulatory authorities³ have cautioned investors that the forex market poses risks for retail customers.

The regulatory oversight of the retail forex market has developed primarily through a series of amendments to the Commodity Exchange Act (“CEA”).⁴ Transactions commonly referred to as “retail forex transactions” are foreign exchange transactions with persons who are retail customers (persons who are not eligible contract participants (“ECPs”) as defined in the CEA) and that settle on a T+3 or greater timeline.⁵ Significantly, certain types of transactions are not “retail forex transactions” under the CEA, even where one of the counterparties is a person that is not an ECP. These transactions include: (i) “spot forex transactions” where one currency is bought for another and the two currencies are exchanged within two days; (ii) forward contracts that create an enforceable obligation to make or take delivery, provided that each counterparty has the ability to deliver and accept delivery in connection with its line of business; and (iii) options that are executed or traded on a national securities exchange registered pursuant to section 6(a) of the Exchange Act.⁶ In addition, and as discussed in more detail below, conversion trades—trades in which a foreign exchange transaction facilitates the settlement of a foreign security transaction—are spot forex transactions and, therefore, are outside

¹ See, e.g., FINRA Regulatory Notice 08-66 (Retail Foreign Currency Exchange) (November 2008) available at: <http://www.finra.org/web/groups/industry/@ip/@reg/@notice/documents/notices/p117362.pdf> (“FINRA Forex Notice”).

² See *Investor Bulletin: Foreign Currency Exchange (Forex) Trading for Individual Investors* (July 2011), available at <http://www.sec.gov/investor/alerts/forextrading.pdf> (“Forex Bulletin”). See also *Retail Foreign Exchange Transactions*, Exchange Act Release No. 64874 (July 13, 2011), 76 FR 41676 (July 15, 2011) (“2011 Interim Rule Release”) at 41677 (noting that media reports have highlighted potential abuses).

³ See, e.g., Press Release, Commodities Futures Trading Commission (“CFTC”), CFTC Releases Final Rules Regarding Retail Forex Transactions (Aug. 30, 2010) (available at <http://www.cftc.gov/PressRoom/PressReleases/pr5883-10.html?dbk>) (noting that retail forex is the largest area of retail fraud that the CFTC oversees).

⁴ See *Regulation of Off-Exchange Retail Foreign Exchange Transactions and Intermediaries*, 75 FR 3282 (Jan. 20, 2010) (“CFTC Proposing Release”) for a detailed discussion by the CFTC of the amendments to the CEA regarding retail forex.

⁵ See 7 U.S.C. 2(c)(2)(B)(i).

⁶ See 7 U.S.C. 2(c)(2)(B)(i)(I).

the scope of the CEA prohibition and this rulemaking.⁷

Only certain regulated entities may act as counterparty to foreign exchange transactions.⁸ These approved entities include Futures Commission Merchants (“FCMs”), Retail Foreign Exchange Dealers (“RFEDs”) registered with the CFTC, banks, and insurance companies, as well as broker-dealers registered with the Commission.

The Dodd-Frank Wall Street Reform and Consumer Protection Act (“Dodd-Frank Act”) further amended the CEA to limit potential abuses in the retail forex market by prohibiting retail forex transactions as of July 16, 2011, in the absence of a rulemaking permitting retail forex transactions by the relevant Federal regulatory agency. The prohibition in the CEA applies to retail forex transactions with registered broker-dealers, and the Commission adopted an Interim Final Temporary Rule on July 13, 2011 (“Interim Rule”), to allow retail forex transactions with broker-dealers under terms and conditions prescribed by the Commission.⁹

B. Amendments to the Commodity Exchange Act

As amended by the Dodd-Frank Act,¹⁰ the CEA provides that a person for which there is a Federal regulatory agency,¹¹ including a broker-dealer registered under section 15(b) except pursuant to paragraph (11) thereof or 15C of the Exchange Act,¹² shall not enter into, or offer to enter into, a transaction described in section 2(c)(2)(B)(i)(I) of the CEA with a person who is not an ECP,¹³ except pursuant to

⁷ See *Further Definition of “Swap,” “Security-Based Swap,” and “Security/Based Swap Agreement”*; *Mixed Swaps; Security/Based Swap Agreement Recordkeeping; Final Rule*, Exchange Act Release No. 67453 (July 18, 2012), 77 FR 48207 (Aug. 13, 2012) (“Products Definitions Release”).

⁸ 7 U.S.C. 2(c)(2)(B)(i).

⁹ See 2011 Interim Rule Release. See also *Extension of Interim Final Temporary Rule on Retail Foreign Exchange Transactions*, Exchange Act Release No. 67405 (July 11, 2012), 77 FR 41671 (July 16, 2012) (“2012 Extension Release”).

¹⁰ 7 U.S.C. 2(c)(2)(E).

¹¹ 7 U.S.C. 2(c)(2)(E)(i), as amended by § 742(c) of the Dodd-Frank Act, defines a “Federal regulatory agency” to mean the CFTC, the Securities and Exchange Commission, an appropriate Federal banking agency (as defined in section 3(q) of the Federal Deposit Insurance Act (12 U.S.C. 1813(q))), the National Credit Union Association, and the Farm Credit Administration.

¹² 7 U.S.C. 2(c)(2)(B)(i)(II).

¹³ “Eligible contract participant” is defined in CEA section 1a(18), as re-designated and amended by section 721 of the Dodd-Frank Act. See Public Law 111-203, § 721 (amending CEA section 1a). The CEA’s definition of ECP generally comprises regulated persons; entities that meet a specified total asset test (e.g., a corporation, partnership,