

# Rules and Regulations

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This section of the FEDERAL REGISTER contains regulatory documents having general applicability and legal effect, most of which are keyed to and codified in the Code of Federal Regulations, which is published under 50 titles pursuant to 44 U.S.C. 1510.

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## FARM CREDIT ADMINISTRATION

### 12 CFR Parts 602, 618, and 621

RIN 3052-AC76

#### Releasing Information; General Provisions; Accounting and Reporting Requirements; Reports of Accounts and Exposures

AGENCY: Farm Credit Administration.

ACTION: Notice of effective date.

**SUMMARY:** The Farm Credit Administration (FCA or we) adopted a final rule to establish a regulatory framework for the reliable, timely, accurate, and complete reporting of Farm Credit System (System) accounts and exposures for examination activities and risk evaluation. The final rule specifies the reporting requirements and performance responsibilities, including, but not limited to, establishing uniform and standard data fields to be collected from all System institutions and a disciplined and secure delivery of information. The final rule authorizes a Reporting Entity (defined as the Federal Farm Credit Banks Funding Corporation or an entity approved by FCA), to collect data from all banks and associations and serve as the central data repository manager. Additionally, the final rule requires all banks and associations to provide data to the Reporting Entity to facilitate the collection, enhancement, and reporting of data to FCA. In accordance with the law, the effective date of the rule is 30 days from the date of publication in the **Federal Register** during which either or both Houses of Congress are in session.

#### DATES:

**Effective date:** Under the authority of 12 U.S.C. 2252, the regulation amending 12 CFR parts 602, 618, and 621 published on December 24, 2013 (78 FR 77557), is effective February 21, 2014.

**Compliance Date:** All provisions of this regulation require compliance on

the effective date, except the Reporting Entity's requirements under § 621.15(b)(1) through (6). We are delaying compliance with these requirements to allow for the development of and transition to the System's central data repository. We will publish the compliance date for these requirements in the **Federal Register**.

#### FOR FURTHER INFORMATION CONTACT:

Susan Coleman, Senior Policy Analyst, Office of Regulatory Policy, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4491, TTY (703) 883-4056, or

Jane Virga, Senior Counsel, Office of General Counsel, Farm Credit Administration, McLean, VA 22102-5090, (703) 883-4020, TTY (703) 883-4056.

**SUPPLEMENTARY INFORMATION:** The Farm Credit Administration (FCA or we) adopted a final rule to establish a regulatory framework for the reliable, timely, accurate, and complete reporting of Farm Credit System (System) accounts and exposures for examination activities and risk evaluation. The final rule specifies the reporting requirements and performance responsibilities, including, but not limited to, establishing uniform and standard data fields to be collected from all System institutions and a disciplined and secure delivery of information. The final rule authorizes a Reporting Entity (defined as the Federal Farm Credit Banks Funding Corporation or an entity approved by FCA), to collect data from all banks and associations and serve as the central data repository manager. Additionally, the final rule requires all banks and associations to provide data to the Reporting Entity to facilitate the collection, enhancement, and reporting of data to FCA. In accordance with 12 U.S.C. 2252, the effective date of the final rule is 30 days from the date of publication in the **Federal Register** during which either or both Houses of Congress are in session. Based on the records of the sessions of Congress, the effective date of the regulations is February 21, 2014.

(12 U.S.C. 2252(a)(9) and (10))

Dated: February 21, 2014.

**Dale L. Aultman,**

Secretary, Farm Credit Administration Board.

[FR Doc. 2014-04197 Filed 2-25-14; 8:45 am]

**BILLING CODE 6705-01-P**

## SOCIAL SECURITY ADMINISTRATION

### 20 CFR Part 404

[Docket No. SSA-2013-0041]

RIN 0960-AH61

#### Extension of Expiration Dates for Several Body System Listings

AGENCY: Social Security Administration.

ACTION: Final rule.

**SUMMARY:** We are extending the expiration dates of the following body systems in the Listing of Impairments (listings) in our regulations: Growth Impairment, Musculoskeletal System, Respiratory System, Cardiovascular System, Digestive System, Skin Disorders, and Neurological. We are making no other revisions to these body systems in this final rule. This extension will ensure that we continue to have the criteria we need to evaluate impairments in the affected body systems at step three of the sequential evaluation processes for initial claims and continuing disability reviews.

**DATES:** This final rule is effective on February 26, 2014.

#### FOR FURTHER INFORMATION CONTACT:

Cheryl A. Williams, Director, Office of Medical Policy, 6401 Security Boulevard, Baltimore, MD 21235-6401, (410) 965-1020. For information on eligibility or filing for benefits, call our national toll-free number, 1-800-772-1213, or TTY 1-800-325-0778, or visit our Internet site, Social Security Online, at <http://www.socialsecurity.gov>.

#### SUPPLEMENTARY INFORMATION:

##### Background

We use the listings in appendix 1 to subpart P of part 404 of 20 CFR at the third step of the sequential evaluation process to evaluate claims filed by adults and children for benefits based on disability under the title II and title XVI programs.<sup>1</sup> 20 CFR 404.1520(d), 416.920(d). The listings are in two parts: Part A has listings criteria for adults and Part B has listings criteria for children. If you are age 18 or over, we apply the listings criteria in part A when we assess your impairment or combination of impairments. If you are under age 18,

<sup>1</sup> We also use the listings in the sequential evaluation processes we use to determine whether a beneficiary's disability continues. See 20 CFR 404.1594, 416.994, and 416.994a.

we first use the criteria in part B of the listings when we assess your impairment(s). If the criteria in part B do not apply, we may use the criteria in part A when those criteria give

appropriate consideration to the effects of your impairment(s). 20 CFR 404.1525(b), 416.925(b).

**Explanation of Changes**

In this final rule, we are extending the dates on which the listings for seven body systems will no longer be effective as set out in the following chart:

Listing	Current expiration date	Extended expiration date
Growth Impairment 100.00 .....	July 1, 2014 .....	January 30, 2015.
Musculoskeletal System (1.00 and 101.00) .....	July 1, 2014 .....	July 31, 2015.
Respiratory System (3.00 and 103.00) .....	April 1, 2014 .....	January 30, 2015.
Cardiovascular System (4.00 and 104.00) .....	October 1, 2014 .....	July 31, 2015.
Digestive System (5.00 and 105.00) .....	April 1, 2014 .....	January 30, 2015.
Skin Disorders 8.00 and 108.00 .....	April 1, 2014 .....	January 30, 2015.
Neurological 11.00 and 111.00 .....	April 1, 2014 .....	July 31, 2015.

We continue to revise and update all of the listings on a regular basis, including those body systems not affected by this final rule.<sup>2</sup> We intend to update the seven listings affected by this final rule as quickly as possible, but may not be able to publish final rules revising these listings by the current expiration dates. Therefore, we are extending the expiration dates listed above.

**Regulatory Procedures**

*Justification for Final Rule*

We follow the Administrative Procedure Act (APA) rulemaking procedures specified in 5 U.S.C. 553 in promulgating regulations. Section 702(a)(5) of the Social Security Act, 42 U.S.C. 902(a)(5). Generally, the APA requires that an agency provide prior notice and opportunity for public comment before issuing a final regulation. The APA provides exceptions to the notice-and-comment requirements when an agency finds there is good cause for dispensing with such procedures because they are impracticable, unnecessary, or contrary to the public interest.

We determined that good cause exists for dispensing with the notice and

public comment procedures. 5 U.S.C. 553(b)(B). This final rule only extends the date on which several body system listings will no longer be effective. It makes no substantive changes to our rules. Our current regulations<sup>3</sup> provide that we may extend, revise, or promulgate the body system listings again. Therefore, we have determined that opportunity for prior comment is unnecessary, and we are issuing this regulation as a final rule.

In addition, for the reasons cited above, we find good cause for dispensing with the 30-day delay in the effective date of this final rule. 5 U.S.C. 553(d)(3). We are not making any substantive changes to the listings in these body systems. Without an extension of the expiration dates for these listings, we will not have the criteria we need to assess medical impairments in these body systems at step three of the sequential evaluation processes. We therefore find it is in the public interest to make this final rule effective on the publication date.

*Executive Order 12866, as Supplemented by Executive Order 13563*

We consulted with the Office of Management and Budget (OMB) and determined that this final rule does not meet the criteria for a significant regulatory action under Executive Order 12866, as supplemented by Executive Order 13563. Therefore, OMB did not review it. We also determined that this final rule meets the plain language requirement of Executive Order 12866.

*Regulatory Flexibility Act*

We certify that this final rule does not have a significant economic impact on a substantial number of small entities because it affects only individuals. Therefore, a regulatory flexibility

<sup>3</sup> See the first sentence of appendix 1 to 20 CFR part 404, subpart P.

analysis is not required under the Regulatory Flexibility Act, as amended.

*Paperwork Reduction Act*

This rule does not create any new or affect any existing collections, and therefore does not require OMB approval under the Paperwork Reduction Act.

(Catalog of Federal Domestic Assistance Program Nos. 96.001, Social Security—Disability Insurance; 96.002, Social Security—Retirement Insurance; 96.004, Social Security—Survivors Insurance; 96.006, Supplemental Security Income)

**List of Subjects in 20 CFR Part 404**

Administrative practice and procedure, Blind, Disability benefits, Old-age, Survivors and Disability Insurance, Reporting and recordkeeping requirements, Social Security.

Dated: February 18, 2014.

**Carolyn W. Colvin,**

*Acting Commissioner of Social Security.*

For the reasons set out in the preamble, we are amending appendix 1 to subpart P of part 404 of chapter III of title 20 of the Code of Federal Regulations as set forth below.

**PART 404—FEDERAL OLD-AGE, SURVIVORS AND DISABILITY INSURANCE (1950—)**

**Subpart P—[Amended]**

■ 1. The authority citation for subpart P of part 404 continues to read as follows:

**Authority:** Secs. 202, 205(a)–(b) and (d)–(h), 216(i), 221(a), (i), and (j), 222(c), 223, 225, and 702(a)(5) of the Social Security Act (42 U.S.C. 402, 405(a)–(b) and (d)–(h), 416(i), 421(a), (i), and (j), 422(c), 423, 425, and 902(a)(5)); sec. 211(b), Pub. L. 104–193, 110 Stat. 2105, 2189; sec. 202, Pub. L. 108–203, 118 Stat. 509 (42 U.S.C. 902 note).

■ 2. Amend appendix 1 to subpart P of part 404 by revising items 1, 2, 4, 5, 6, 9, and 12 of the introductory text before Part A to read as follows:

<sup>2</sup> Since we extended the expiration date of some of these listings in June 2012 (77 FR 35264 (2012)), we published final rules revising congenital disorders that affect multiple body systems (78 FR 7659 (2013)), and the revised medical criteria for evaluating visual disorders in the special senses and speech body system (78 FR 18837 (2013)). We also published proposed rules for revised medical criteria for evaluating respiratory system disorders (78 FR 7968 (2013)), revised medical criteria for evaluating genitourinary disorders (78 FR 7695 (2013)), revised listings for growth disorders and weight loss in children (78 FR 30249 (2013)), revised medical criteria for evaluating hematological disorders (78 FR 69324 (2013)), and revised medical criteria for evaluating cancer (78 FR 76508 (2013)). We also have published an advance notice of proposed rulemaking requesting comments on whether and how we should revise the listing criteria for evaluating hearing loss and disturbances of labyrinthine-vestibular function in adults and children (78 FR 53700 (2013)).

**Appendix 1 to Subpart P of Part 404—  
Listing of Impairments**

- \* \* \* \* \*
1. Growth Impairment (100.00): January 30, 2015.
2. Musculoskeletal System (1.00 and 101.00): July 31, 2015.
- \* \* \* \* \*
4. Respiratory System (3.00 and 103.00): January 30, 2015.
5. Cardiovascular System (4.00 and 104.00): July 31, 2015.
6. Digestive System (5.00 and 105.00): January 30, 2015
- \* \* \* \* \*
9. Skin Disorders (8.00 and 108.00): January 30, 2015.
- \* \* \* \* \*
12. Neurological (11.00 and 111.00): July 31, 2015.
- \* \* \* \* \*

[FR Doc. 2014-04123 Filed 2-25-14; 8:45 am]

BILLING CODE 4191-02-P

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

[TD 9659]

RIN 1545-BJ15

**Property Transferred in Connection  
With the Performance of Services  
Under Section 83****AGENCY:** Internal Revenue Service,  
Department of the Treasury.**ACTION:** Final regulations.

**SUMMARY:** This document contains final regulations relating to property transferred in connection with the performance of services under section 83 of the Internal Revenue Code (Code). These final regulations affect certain taxpayers who receive property transferred in connection with the performance of services.

**DATES:**

*Effective Date:* These regulations are effective on February 26, 2014.

*Applicability Date:* For dates of applicability, see § 1.83-3(l).

**FOR FURTHER INFORMATION CONTACT:** Thomas Scholz or Michael Hughes at (202) 317-5600 (not a toll-free number).

**SUPPLEMENTARY INFORMATION:****Background**

On May 30, 2012, the Department of Treasury (Treasury) and the Internal Revenue Service (IRS) published a notice of proposed rulemaking (REG-141075-09) in the **Federal Register** (77 FR 31783) under section 83 of the Code. Treasury and the IRS received two

comments responding to the notice of proposed rulemaking. No public hearing was requested and no public hearing was held. After consideration of these comments, Treasury and the IRS adopt the proposed regulations as final regulations with the modifications described in this preamble.

**Explanation of Provisions**

Section 83 of the Code addresses the tax consequences of the transfer of property in connection with the performance of services. These final regulations provide several clarifications regarding whether a substantial risk of forfeiture exists in connection with property subject to section 83. Specifically, the final regulations clarify that (1) except as specifically provided in section 83(c)(3) and §§ 1.83-3(j) and (k), a substantial risk of forfeiture may be established *only* through a service condition or a condition related to the purpose of the transfer, (2) in determining whether a substantial risk of forfeiture exists based on a condition related to the purpose of the transfer, both the likelihood that the forfeiture event will occur and the likelihood that the forfeiture will be enforced must be considered, and (3) except as specifically provided in section 83(c)(3) and §§ 1.83-3(j) and (k), transfer restrictions do not create a substantial risk of forfeiture, including transfer restrictions that carry the potential for forfeiture or disgorgement of some or all of the property, or other penalties, if the restriction is violated.

**Summary of Comments**

Treasury and the IRS received two written comments on the notice of proposed rulemaking. The first comment was not responsive to the notice of proposed rulemaking. The second comment expressed concern that the proposed regulations result in a narrowing of the circumstances that would establish a substantial risk of forfeiture and requested clarification regarding whether an involuntary separation from service without cause could establish a substantial risk of forfeiture. The comment noted that, for purposes of section 409A, an amount that is payable only upon a service provider's involuntary separation from service without cause is subject to a substantial risk of forfeiture if the possibility of forfeiture is substantial, and it suggested that these regulations specifically state that an involuntary separation without cause may qualify as a substantial risk of forfeiture under section 83 in appropriate circumstances.

These regulations are intended to clarify the definition of a substantial

risk of forfeiture and are consistent with the interpretation that the IRS historically has applied, and therefore from the perspective of Treasury and the IRS they do not constitute a narrowing of the requirements to establish a substantial risk of forfeiture. See *Robinson v. Commissioner*, 805 F.2d 38 (1st Cir. 1986). Further, Treasury and the IRS believe that these regulations should not be modified to state that an involuntary separation from service without cause may qualify as a substantial risk of forfeiture under section 83. While a service provider's right to receive property (or an amount in cash) in the future upon the service provider's involuntary separation from service without cause may be subject to a substantial risk of forfeiture for purposes of section 409A if the possibility of forfeiture is substantial, a substantial risk of forfeiture under section 83 can exist only when property is actually transferred in connection with the performance of services. A right to receive property in the future is generally not property for purposes of section 83. See § 1.83-3(e). Accordingly, an involuntary separation from service without cause cannot qualify as a substantial risk of forfeiture under section 83 if property is not transferred until after the separation from service occurs.

When a transfer of property does occur, a substantial risk of forfeiture may be established through a substantial services condition or a condition related to the purpose of the transfer if the possibility of forfeiture is substantial. The acceleration of vesting upon an involuntary separation from service without cause (or separation from service as a result of death or disability) will not cause a requirement of substantial services that otherwise would be treated as a substantial risk of forfeiture to fail to qualify as a substantial risk of forfeiture, provided that facts and circumstances do not demonstrate that the occurrence of an involuntary separation from service without cause is likely to occur during the agreed upon service period.

Certain practitioners informally requested clarification regarding the application of section 83(c)(3) to a variation of the facts set forth in Example 4 of proposed regulation § 1.83-3(j)(2). Specifically, practitioners asked whether the purchase of shares in a transaction not exempt from section 16(b) of the Securities Exchange Act of 1934 prior to the exercise of a stock option that would not otherwise give rise to section 16(b) liability would defer taxation of the stock option exercise. Treasury and the IRS do not