

(f) * * *

(5) * * *

(ii) *Unofficial activities.* The delegated State or personnel employed by the State shall not perform any unofficial service that is the same as any of the official services covered by the delegation.

5. Section 800.196(g)(6)(ii) is revised to read as follows:

§ 800.196 Delegations

* * * * *

(g) * * *

(6) * * *

(ii) *Unofficial activities.* The agency or personnel employed by the agency shall not perform any unofficial service that is the same as the official services covered by the designation.

* * * * *

Dated: December 8, 1995.

James R. Baker,
Administrator.

[FR Doc. 95-30593 Filed 12-18-95; 8:45 am]

BILLING CODE 3410-EN-M

COMMODITY FUTURES TRADING COMMISSION

17 CFR Part 30

Foreign Option Transactions

AGENCY: Commodity Futures Trading Commission.

ACTION: Order.

SUMMARY: The Commodity Futures Trading Commission (Commission) is issuing this Order pursuant to which Option Contracts on a spot foreign exchange operation between the Deutsche Mark and the French Franc (DEM/FRF) traded on the Marche a Terme International de France (MATIF) may be offered or sold to persons located in the United States. This Order makes it unlawful for any person to engage in the offer or sale of a foreign option product until the Commission, by order, authorizes such foreign option to be offered or sold in the United States and the procedures established by the Mutual Recognition Memorandum of Understanding (MRMOU) with the French Commission des Operations de Bourse.

EFFECTIVE DATE: January 18, 1996.

FOR FURTHER INFORMATION CONTACT: Warren R. Gorlick, Esq., Division of Trading and Markets, Commodity Futures Trading Commission, Three Lafayette Centre, 1155 21st Street N.W., Washington, D.C. 20581. Telephone: (202) 418-5435.

SUPPLEMENTARY INFORMATION: The Commission has issued the following Order:

United States of America Before the Commodity Futures Trading Commission

Order Pursuant to the Mutual Recognition Memorandum of Understanding with the French Commission des Operations de Bourse and Rule 30.3(a) Permitting Option Contracts on the DEM/FRF Traded on the Marche a Terme International de France (MATIF) to Be Offered or Sold to Persons Located in the United States Thirty Days After Publication of This Notice in the Federal Register Absent Further Notice

By Order issued on December 17, 1991 (Initial Order) ¹, the Commission authorized, pursuant to the Mutual Recognition Memorandum of Understanding (MRMOU) ² and Commission rule 30.3(a),³ certain option products traded on the MATIF to be offered or sold in the United States.

By letter dated October 24, 1995, MATIF notified the Commission that on October 23, 1995 it would be introducing Option Contracts based on the DEM/FRF and requested that the Commission supplement its Initial Order authorizing the offer and sale in the United States of Options on the Notional Bond, the 3-month PIBOR, the 3-month EURODEM Futures Contracts; a Supplemental Order, 57 FR 10987 (April 1, 1992), authorizing the offer and sale in the United States of Options on the Long-Term ECU Bond Futures Contracts; a Supplemental Order, 59 FR 22971 (May 4, 1994), authorizing the offer and sale in the United States of Options on the USD/DEM and USD/FRF; and a Supplemental Order, 60 FR 34458 (July 3, 1995), authorizing the offer and sale in the United States of Options on the GBP/DEM and the DEM/ITL by also authorizing the MATIF's Option Contracts on the DEM/FRF to be offered or sold to persons located in the United States.⁴ Based upon the

¹ See 56 FR 66345 (December 23, 1991).

² See 55 FR 23902 (June 13, 1990). Among other things, this arrangement provides a mechanism pursuant to which certain option products traded on the Marche a Terme International de France (MATIF) may be offered or sold to customers resident in the United States thirty days after publication in the Federal Register of a notice specifying the particular option contracts to be offered or sold.

³ Commission rule 30.3(a), 17 CFR 30.3(a), makes it unlawful for any person to engage in the offer or sale of a foreign option product until the Commission, by order, authorizes such foreign option to be offered or sold in the United States.

⁴ See letter dated October 24, 1995 from Catherine Langlais, MATIF, to Jane C. Kang, Esq., Division of Trading and Markets. See also letter dated November 6, 1995 from Frederic Perier, Commission des Operations de Bourse, to Andrea M. Corcoran, Director, Division of Trading and Markets.

foregoing, and pursuant to the terms of the MRMOU, the Commission hereby publishes this Order in the Federal Register pursuant to which the particular Option Contracts specified herein may be offered or sold thirty days after the publication of this Order.

Accordingly, pursuant to Commission rule 30.3(a), 17 CFR 30.3(a), and Article II, paragraph 6(b) and Article V, paragraph 6 of the MRMOU signed by the Commission on June 6, 1990 (55 FR 23902 (June 13, 1990)), and subject to the terms and conditions specified in the MRMOU, the Commission hereby issues this Order pursuant to which Option Contracts based on the DEM/FRF traded on the MATIF may be offered or sold to persons located in the United States thirty days after publication of this Order in the Federal Register, unless prior to that date the Commission receives any comments which may result in a determination to delay the effective date of the Order pending review of such comments. Under such circumstances the Commission will provide notice.

Contract Specifications

DEM/FRF Option

Type

European style

Underlying Interest

Spot currency transaction DEM against FRF

Contract Size

DEM 100,000

Strike Price

Expressed in FRF, with 2 decimals.

Strike price intervals: 1 Centime (3.40-3.41)

Quotation

Premium in % of the DEM nominal, with 2 decimals.

Ex: 0.45% stands for 100,000 × 0.45/100 = DEM 450.

In specific cases, premium with 3 decimals.

Tick

Size: 0.01%

Value: 0.01/100 × 100,000 = DEM 10

Expiration

3 monthly + 3 quarterly expirations from March (H), June (M), September (U), December (Z)

Last Trading Day

Thursday following the 3rd Wednesday of expiration month at 9:00 am (New York time)

<p>First Trading Day First business day following an expiration date Exercise After settlement of a spot-fixing on the expiration date, automatic exercise of in-the-money options. Exercise: exchange of underlying currencies Trading Hours Open outcry: 9:15 am to 5:00 pm (Paris time)</p>	<p>THS (after hours trading): 5:00 pm to 9:15 am List of Subjects in 17 CFR Part 30 Commodity futures, Commodity options, Foreign transactions. Accordingly, 17 CFR part 30 is amended as set forth below: PART 30—FOREIGN FUTURES AND FOREIGN OPTION TRANSACTIONS 1. The authority citation for part 30 continues to read as follows:</p>	<p>Authority: Secs. 2(a)(1)(A), 4, 4c, and 8a of the Commodity Exchange Act, 7 U.S.C. 2, 6, 6c and 12a. 2. Appendix B to part 30 is amended by adding the following entry after the existing entries for the "Marche a Terme International de France" to read as follows: Appendix B to Part 30—Option Contracts Permitted to be Offered or Sold in the U.S. Pursuant to § 30.3(a)</p>
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Exchange	Type of contract	FR date and citation
Marche a Terme International de France	Option Contracts on the Deutsche Mark and the French Franc (DEM/FRF).	December 19, 1995; 60 FR 65237
*	* * * *	* *

Issued in Washington, D.C. on December 6, 1995.
 Jean A. Webb,
Secretary to the Commission.
 [FR Doc. 95-30361 Filed 12-18-95; 8:45 am]
 BILLING CODE 6351-01-P

SUPPLEMENTARY INFORMATION:

Background

This document contains amendments to the Employment Tax Regulations (26 CFR part 31) under section 3402(r). Section 3402(r) was added by section 701 of the Uruguay Round Agreements Act, which approved the trade agreements resulting from the Uruguay Round of multilateral trade negotiations under the auspices of the General Agreement on Tariffs and Trade (GATT) and the Statement of Administrative Action to implement the Agreements.

On December 22, 1994, temporary regulations (TD 8574) relating to withholding on distributions of Indian gaming profits to tribal members under section 3402(r) were published in the Federal Register (59 FR 65939). A notice of proposed rulemaking (EE-60-94) cross-referencing the temporary regulations was published in the Federal Register for the same day (59 FR 65982). No public hearing was requested or held.

Also on December 22, 1994, the IRS mailed a copy of Notice 1026, providing withholding tables for use in 1995, to Indian tribes and gaming establishments listed with the National Indian Gaming Commission. For 1996 and subsequent years, tables will be printed in a supplement to Circular E.

The IRS received written comments responding to the notice of proposed rulemaking. After consideration of the comments, the regulations proposed by EE-60-94 are adopted as revised by this Treasury decision, and the corresponding temporary regulations are withdrawn. The regulations contain no substantive changes.

Explanation of Provisions

1. *Indian Gaming Regulatory Act.* Net revenue from certain gaming activities conducted or licensed by an Indian tribe may be used to make taxable distributions to members of the Indian tribe. The tribe must notify its members of the tax liability at the time the payments are made. 25 U.S.C. 2710 (b)(3) and (d)(1).

2. *Prior law.* Prior to the addition of section 3402(r) in 1994, a tribe was not required to withhold on these distributions to tribal members except to the extent backup withholding rules applied under section 3406.

3. *Code section 3402(r).* Section 3402(r) generally requires that, for payments made after December 31, 1994, persons, including Indian tribes, making payments to members of Indian tribes from the net revenues of certain gaming activities conducted or licensed by the tribes deduct and withhold income taxes from those payments. Section 3402(r) provides that the withholding amount be calculated assuming that the taxpayer is single and has one exemption.

4. *Legislative history.* The legislative history of section 3402(r) indicates that the goal of the new withholding requirement was to make it easier for tribal members who receive gaming distributions to meet their tax responsibilities:

Distributions of net revenues from gaming activity by an Indian tribe may result in significant tax liability to the tribe's members. Establishing withholding on such payments will more closely match estimated tax payments to ultimate tax liability. For some tribal members, this change may eliminate the need to make quarterly

DEPARTMENT OF THE TREASURY

Internal Revenue Service

26 CFR Part 31

[TD 8634]

RIN 1545-AT12

Withholding on Distributions of Indian Gaming Profits to Tribal Members

AGENCY: Internal Revenue Service (IRS), Treasury.

ACTION: Final regulations.

SUMMARY: This document contains final regulations relating to the income tax withholding requirement on distributions of profits from certain gaming activities made to members of Indian tribes under section 3402(r) of the Internal Revenue Code of 1986. Those affected by the regulations are persons, including Indian tribes, making payments to members of Indian tribes from net revenues of certain gaming activities conducted or licensed by the tribes. Also affected are members of Indian tribes who receive the payments.

DATES: These regulations are effective December 19, 1995.

For date of applicability, see § 31.3402(r)-1(b).

FOR FURTHER INFORMATION CONTACT: Rebecca Wilson (202) 622-6040 (not a toll-free number).